

## TABLE OF CONTENTS

<b>Chapter 1. Introduction</b>	<b>1</b>
<b>Section 1. General</b>	<b>1</b>
1. Purpose.....	1
2. Authorizing Legislation.....	1
3. Policy.....	1
4. Application of Policy and Guidance Principles.....	2
5. Waivers.....	3
6. Handbook Format.....	3
7. - 19. Reserved.....	3
<b>Section 2. Title 49, United States Code</b>	<b>3</b>
20. Grant Authority.....	3
21. Revenue Sources.....	3
22. AIP Authorized Funding Levels.....	4
23. Types of Airports.....	5
24. Changes in Airport Classification.....	6
25. Distribution of Funds.....	6
26. Federal Share of Project Costs.....	8
27. Maximum Allowable Grant Increases.....	9
28. - 29. Reserved.....	9
<b>Section 3. Overview of the Grant Process and Program Funding</b>	<b>9</b>
30. The Grant Process.....	9
31. Reserved.....	9
32. The AIP Funding Process.....	9
33. Project Approval and Congressional Notification.....	12
34. Office of Management and Budget (OMB) Circular A-102.....	12
35. Mandatory Standards.....	12
36. Transfer of Passenger Entitlement Funds.....	12
37. State Block Grant Program.....	13
38. Letters of Intent. Reserved.....	13
39. Military Airport Program.....	13
40. - 199. Reserved.....	13
<b>Chapter 2. Sponsor Eligibility</b>	<b>15</b>
200. General.....	15
201. Legal and Financial Responsibility.....	15
202. Cosponsor.....	15
203. Agents.....	16
204. Planning Agencies.....	16
205. Designation of Eligible Planning Agencies.....	16
206. Public Agencies Owning Airports.....	17
207. Public Agencies Not Owning Airports.....	17
208. Private Airport Owners.....	17
209. State Sponsorship of Airport Projects.....	18
210. - 299. Reserved.....	18
<b>Chapter 3. Project Eligibility, Allowable Costs, Priority, and Donations</b>	<b>19</b>
<b>Section 1. Project Eligibility</b>	<b>19</b>
300. General Project Eligibility Requirements.....	19
301. Prohibitions.....	19

302. Environmental Requirements. ....	20
303. Off Airport Work. ....	20
304. Works of Art. ....	20
305. Relocation or Modification of FAA Facilities. ....	21
306. Pavement Evaluations. ....	21
307. Equipment Procurement Under Planning Grants. ....	24
308. - 309. Reserved. ....	24
<b>Section 2. Allowable/Nonallowable Costs</b>	<b>24</b>
310. Allowable Project Costs. ....	24
311. Nonallowable Project Costs. ....	27
312. - 319. Reserved. ....	28
<b>Section 3. Priority System</b>	<b>28</b>
320. National Priority System. ....	28
321. - 349. Reserved. ....	28
<b>Section 4. Donations, Contributions, Loans</b>	<b>28</b>
350. General. ....	28
351. Land Donated To Sponsors. ....	28
352. Labor, Material, Equipment, and Services Donated to Sponsors. ....	29
353. Treatment of Credits in the Grant Agreement. ....	30
354. Land Contributed by a Privately Owned Reliever. ....	31
355. - 399. Reserved. ....	31
<b>Chapter 4. Planning Projects</b>	<b>33</b>
<b>Section 1. Planning Project Scope And Eligibility</b>	<b>33</b>
400. The Planning Process. ....	33
401. Eligible Planning Projects. ....	33
402. The Capital Improvement Plan (CIP). ....	35
403. Planning Work Scope Requirements. ....	35
404. Eligible Study Elements And Activities. ....	37
405. System Planning Elements. ....	37
406. Master Planning Elements. ....	40
407. - 409. Reserved. ....	42
<b>Section 2. Planning Project Application</b>	<b>42</b>
410. General. ....	42
411. Pre-Planning Conference. ....	43
412. Preparation Of Application. ....	43
413. Review and Approval of Application. ....	44
414. - 419. Reserved. ....	45
<b>Section 3. Planning Project Accomplishment</b>	<b>45</b>
420. Consultant Contracts. ....	45
421. FAA Role in Consultant Selection. ....	45
422. Contract Review And Approval. ....	46
423. Procurement Deficiencies. ....	46
424. Purchase of Equipment. ....	46
425. Project Monitoring, Coordination, and Reports. ....	46
426. Suspension and Termination. ....	47
427. Final Planning Reports. ....	47
428. FAA Approval Actions. ....	47
429. FAA Acceptance of Projects. ....	50
430. Audits. ....	50
431. - 499. Reserved. ....	50



1572. Assurance 12, Construction Inspection and Approval .....	153
1573. Assurance 13, Operation and Maintenance .....	153
1574. Assurance 14, Hazard Prevention .....	154
1575. Assurance 15, Compatible Land Use .....	154
1576. Assurance 16, Reports and Inspection .....	154
1577. Assurance 17, Civil Rights .....	154
1578. Assurance 18, Engineering and Design Services .....	154
1579. Assurance 19, Foreign Market Restrictions.....	154
1580. Assurance 20, Disposal of Land .....	154
1581. Assurance 21, Relocation and Real Property.....	154
1582. Assurance 22, Drug-Free Workplace .....	154
1583.- 1589. Reserved .....	154

## TABLES AND FIGURES

Table 1 Aviation Taxes .....	4
Table 2 Hubs Defined by Current Boardings .....	5
Figure 1 Typical Correlation Between Authorization and Appropriation Levels .....	4
Figure 2 Typical Percentage Distribution of AIP .....	8
Figure 3 Typical AIP Grant Process .....	10

## APPENDICES

Appendix 1. Part V Assurances (16 pages)	
Appendix 2. Nonallowable Items (1 page)	
Appendix 3. Standard Solicitation and Contract Language (2 pages)	
Appendix 4. Proposed Award of Grant (FAA Form 5100-12) (1 page)	
Appendix 5. Planning Application (SF 424 and FAA form 5100-102) (8 pages)	
Appendix 6. Preapplication (SF 424) (2 pages)	
Appendix 7. Application (SF 424 & FAA Form 5100-100) (10 pages)	
Appendix 8. Grant Agreement (FAA Form 5100-37) (3 pages)	
Appendix 9. Special Conditions (5 pages)	
Appendix 10. FAA Form 5100-107 (2 pages)	
Appendix 11. Notice of Preapplication Review Action (FAA Form 5100-31) (1 page)	
Appendix 12. Performance Evaluation Report and Development Analysis Checklist (FAA Form 5100-109) (1 page)	
Appendix 13. Construction Progress and Inspection Report (FAA Form 5370-1 (2 pages)	
Appendix 14. Final Inspection Report (FAA Form 5100-17) (1 page)	
Appendix 15. Title VI Reverter Clauses ( 1 page)	
Appendix 16. Labor Standards Interview and Summary of Investigation Reports (Forms DOT F 4220.5 and 4220.6) (2 Pages)	
Appendix 17. Examples of Increasing Maximum Obligation (1 page)	

- Appendix 18. Grant Amendment (FAA Form 5100-38) (2 pages)
- Appendix 19. Entitlement Transfer Agreement (1 page)
- Appendix 20. Multi-Year Letter of Agreement (1 page)
- Appendix 21. Federal Cash Transaction Report (3 pages)
- Appendix 22. Request for Advance or Reimbursement (2 pages)
- Appendix 23. Outlay Report and request for Reimbursement for Construction Programs (2 pages)
- Appendix 24. Letter of Intent (3 pages)
- Appendix 25. Capacity Discretion Criteria (5 pages)
- Appendix 26. State Sponsorship Agreement (1 page)
- Appendix 27. Adjustments Of Federal Shares At Certain Airports (1 page)

## **SUBJECT INDEX**

(Pages 1-5)



# Chapter 1. INTRODUCTION

## Section 1. GENERAL

### 1. PURPOSE.

This order provides guidance and sets forth policies and procedures for the administration of the Airport Improvement Program (AIP).

### 2. AUTHORIZING LEGISLATION.

a. The AIP is authorized by Title 49 of the United States Code, which is referred to as the "Act". Previously, the AIP was authorized by the Airport and Airway Improvement Act of 1982 (P.L. 97-248, as amended) which was repealed in 1994 and the provisions were recodified as Title 49, United States Code. The Act's broad objective is to assist in the development of a nationwide system of public-use airports adequate to meet the current projected growth of civil aviation. The Act provides funding for airport planning and development projects at airports included in the National Plan of Integrated Airport Systems (NPIAS). The Act also authorizes funds for noise compatibility planning and to carry out noise compatibility programs as set forth in the Aviation Safety and Noise Abatement Act of 1979 (P.L. 96-143)

b. Public Law 103-272 (July 5, 1994), Codification of Certain U.S. Transportation Laws at 49 U.S.C., repealed the Airport and Airway Improvement Act of 1982, as amended, and the Aviation Safety and Noise Abatement Act of 1979, as amended, and recodified them without substantive change at Title 49, U.S.C. Several notable name changes were contained in the recodification language. The term "enplanements" was replaced with the term "passenger boardings." The codification also refers to passenger facility fees instead of passenger facility charges. These terms, when used in a discussion of legislative provisions and program objectives, are interchangeable.

c. The Act was amended in 1994, 1996, and again in 1999 to change the annual authorizations for FY 1994 through FY 1999 as well as numerous other program changes.

### 3. POLICY.

a. The highest aviation priority of the United States is the safe and secure operation of the airport and airway system. Other policy statements in enabling legislation address minimizing noise impacts on nearby communities; developing reliever airports; developing cargo-hub airports; developing transportation systems that use various modes of transportation; protecting and enhancing natural resources; reducing aircraft operation delays; converting former military air bases to civil use; and implementing a variety of other provisions to ensure a safe and efficient airport system.

b. In the administration of the AIP, the FAA supports this policy by giving the highest priority to projects that enhance the safety and security of our airport system. Other major policy objectives are advanced by assigning high priority in the award of AIP funds to projects that maintain current airport infrastructure and increase the capacity of facilities to accommodate growing passenger and cargo traffic. The United States aviation policies are strengthened by statutory provisions that direct specific funding resources to help minimize current and projected noise impacts; convert available former military air bases to civil use; preserve and enhance capacity, safety, and security at primary and reliever airports; and ensure continued funding availability to the small general aviation and nonhub commercial service airports. Discussion of these funding designations is provided in the sections that follow dealing with apportioned and discretionary funds.

c. Section 47103 of Title 49 U.S.C. requires the Secretary of Transportation to publish a biennial national plan for the development of public-use airports in the United States. This plan, the NPIAS, lists development considered necessary to provide a safe, secure, efficient, and integrated airport system meeting the needs of civil aviation, national defense, and the U. S. Postal Service. An airport must be included in this plan to be eligible to receive a grant under the AIP. The latest published edition of the

NPIAS, prior to the issuance of this order, covered 1998–2002. That report identified 3,344 existing airports of significance to air transportation and included estimates that \$35.1 billion in AIP-eligible development will be needed over the 5 year period of 1998-2002 to meet the needs of all segments of civil aviation.

#### **4. APPLICATION OF POLICY AND GUIDANCE PRINCIPLES.**

The contents of this handbook are similar to prior versions based on principles below.

**a.** Unless it is considered necessary to achieve standardization in grant program administration across the country, procedures and requirements not dictated by legislation, regulation, or factors beyond FAA control are left to the discretion of the regions. It is recognized that the diversity among the regions of program needs, available resources, and Airports Division organizational structures dictates that flexibility must be given Airports Division Managers for efficient grant program administration. At the same time, however, the AIP must be perceived by the aviation community as an even-handed program administered uniformly in every state. This principle results in the inclusion in the handbook of standard "special conditions" to be used in frequently-encountered grant conditions and in greater reliance on regional discretion in internal grant administration activities.

**b.** The handbook attempts to summarize appropriate information from other guidance material when possible, so that direct reference to the original material is seldom needed. However, some of these documents are so closely related and applicable to day-to-day grant activity that they should be considered companion documents to this handbook and should be, in fact, a part of each program specialist's tools for daily program administration. The following guidance should be used in conjunction with this handbook:

**(1)** 49 CFR Part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements for State and Local Governments;"

**(2)** 49 CFR Part 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs;"

**(3)** FAA Order 5100.20, "Program Control and Reporting Procedures - Airport Grant Programs;"

**(4)** Advisory Circular 150/5100-6, "Labor Requirements for the Airport Improvement Program;"

**(5)** Advisory Circular 150/5100-15, "Civil Rights Requirements for the Airport Improvement Program;"

**(6)** Advisory Circular 150/5100-16, "Airport Improvement Program Grant Assurance Number One - General Federal Requirements:"

**(7)** FAA Order 5090.3, "Field Formulation of the National Plan of Integrated Airport Systems (NPIAS);"

**(8)** FAA Order 5100.37, "Land Acquisition and Relocation Assistance for Airport Development Projects;"

**(9)** FAA Order 5050.4, "Airport Environmental Handbook;"

**(10)** FAR Part 150, "Airport Noise Compatibility Programs;"

**(11)** Other advisory circulars, agency directives, regulations, etc., are referenced in this handbook for guidance in particular areas. They may be consulted when more details are required.

c. Where possible, the administrative procedures for both the region and the sponsors have been simplified with a view toward reducing the workload for the regions and field offices as well as reducing burdensome detail and paperwork for sponsors. If there are any areas in this handbook where further progress toward this goal can be made (within the purview of the FAA), they should be brought to the attention of the Airports Financial Assistance Division, APP-500; ATTN: APP-510.

## **5. WAIVERS.**

Except where options are specifically noted in this order or where non-mandatory language is used, e.g., "may" or "as determined by the field office", the procedures and requirements are mandatory in nature. Any deviation from them must be approved by the Director of the Office of Airport Planning and Programming or designee. All requests for deviations should be sent to the Director of the Office of Airport Planning and Programming for processing.

## **6. HANDBOOK FORMAT.**

a. The handbook is basically arranged beginning with explanations, definitions, and descriptions of the major kinds of projects and overall requirements followed by the step-by-step process in carrying out a typical grant from project formulation to grant closeout. The final two chapters cover Civil Rights/Labor enforcement and a detailed look at the standard grant assurances.

b. Similar subject matter in different chapters is cross-referenced to avoid text duplication and to lead the reader through applicable guidance. The subject index at the end of the handbook also has been included as another guide for users.

c. Except as noted, the appendices to the handbook contain all forms normally used in the grant process as well as standardized language to be used for special conditions. Standard language and forms used for Civil Rights and Labor requirements are to be found in the two advisory circulars on those subjects. Forms for program control and reporting are found in FAA Order 5100.20.

d. All guidance issued in Program Guidance Letters (PGL), which is appropriate for inclusion in the handbook, will be included in subsequent Handbook amendments. PGL's will continue to be issued for items that are not appropriate handbook material, for example short-term policy guidance or detailed information on particular subjects, and to provide interim guidance between handbook amendments.

## **7. - 19. RESERVED.**

# **Section 2. TITLE 49, UNITED STATES CODE**

## **20. GRANT AUTHORITY.**

Section 47104(a) of the Act authorizes the Administrator to make grants for airport planning and development in the United States, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam. The grants assist the development of public-use airports served by air carriers, commuters and general aviation.

## **21. REVENUE SOURCES.**

The Airport and Airway Trust Fund, which was established by the Airport and Airway Revenue Act of 1970, provides the revenues used to fund AIP projects. The Trust Fund concept guarantees a stable funding source whereby users pay for the services they receive. In 1997, Congress enacted new taxes to fund the Trust Fund as shown in the following table:

Table 1 Aviation Taxes	
<b>Domestic Passenger Ticket Tax</b>	9% from Oct. 1, 1997 through Sept. 30, 1998 8% from Oct. 1, 1998 through Sept. 30, 1999 7.5% from Oct. 1, 1999 through Sept. 30, 2000
<b>Passenger Flight Segment</b>	\$1.00 per segment for FY 1998 \$2.00 per segment for FY 1999 \$2.25 per segment for the remainder of CY 1999 \$2.50 per segment during CY 2000 \$2.75 per segment during CY 2001 \$3.00 per segment during CY 2002 indexed to the Consumer Price Index (CPI) after 2002
<b>Passenger Ticket Tax at Rural Airports</b>	7.5% passenger ticket tax without flight segment component beginning Oct. 1, 1997
<b>Waybill Domestic Freight and Mail</b>	6.25% of shipment cost
<b>General Aviation Fuel Tax</b>	19.3¢ per gallon (gasoline) 21.8¢ per gallon (jet fuel)
<b>Commercial Fuel Tax</b>	4.3¢ per gallon
<b>International Departure/International Arrival Tax</b>	\$12.00 per person international departure tax plus \$12.00 per person international arrival tax indexed to CPI starting Jan. 1, 1999
<b>Special rule: for flights between US and Alaska or Hawaii</b>	\$6 departure tax on domestic flights to and from Alaska and Hawaii plus a portion of the passenger ticket tax. This tax is indexed to CPI starting Jan. 1, 1999
<b>Frequent Flyer Tax</b>	7.5% of value of ticket (approximately 2¢ per mile) indexed to CPI after FY 1998

## 22. AIP AUTHORIZED FUNDING LEVELS.

The Act, as amended, authorizes the use of monies from the Airport and Airway Trust Fund to make grants under the AIP on an annual fiscal year basis. Figure 1 depicts the amounts (in millions) that were authorized and subsequently appropriated for the AIP. As can readily be seen, authorized levels are generally greater than appropriations.

- d. Contract authority not appropriated in a fiscal year carries forward to future fiscal years unless

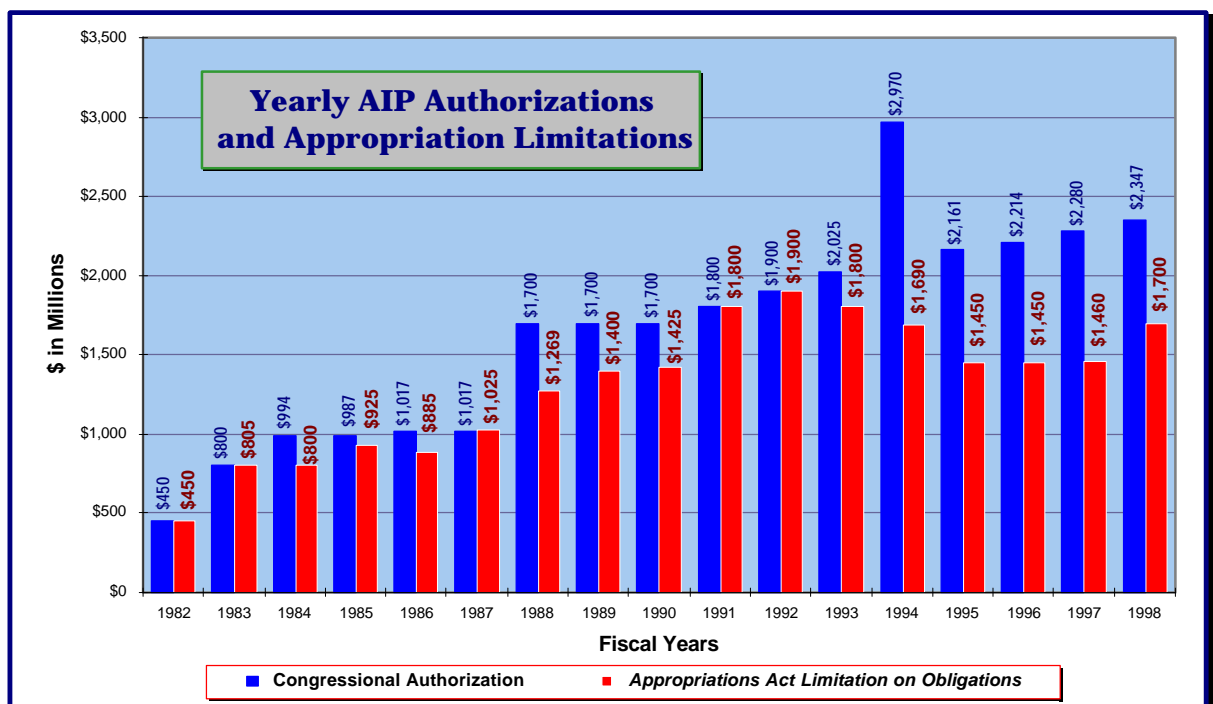


Figure 1 Typical Correlation Between Authorization and Appropriation Levels

the Congress takes specific action to limit such amounts. During the annual appropriations process, Congress may also limit the funding that may be obligated for grants to an amount that differs from the annual authorization. (See Figure 1 and paragraph 32.) Rescissions may be enacted as a bookkeeping device reducing the authority level to the appropriated amount. However, rescissions can have programmatic impacts by rescinding contract authority.

### 23. TYPES OF AIRPORTS.

The only airports, or portions thereof, that are eligible for AIP funding are public-use airports in the NPIAS that serve civil aviation. The general definition for airports in legislation refers to any area of land or water used or intended to be used for the landing or taking off of aircraft and includes, within the five categories of airports listed below, special types of facilities like seaplane bases, heliports and those facilities to accommodate tilt rotor aircraft. An airport includes an appurtenant area used or intended to be used for airport buildings, facilities, as well as rights of way together with those buildings and facilities.

The statute further defines airports by categories that include commercial service, primary, cargo service, reliever, and general aviation airports. They are defined as follows:

**a. Commercial Service Airports** are publicly owned airports that have at least 2,500 passenger boardings each calendar year and receive scheduled passenger service. **Passenger boardings** refer to revenue passenger boardings on an aircraft in service in air commerce whether or not in scheduled service. The definition also includes passengers who continue on an aircraft in international flight that stops at an airport in any of the 50 States for a non traffic purpose, such as refueling or aircraft maintenance rather than passenger activity. **Passenger boardings** at airports that receive scheduled passenger service are also referred to as **Enplanements**. A pilot program on airport privatization may apply to individual commercial service airports, and questions on it should be directed to AAS-400. The pilot program may affect definitions involving scheduled airline service.

**(1) Nonprimary Commercial Service Airports** are **Commercial Service Airports** that have at least 2,500 and no more than 10,000 passenger boardings each year.

**(2) Primary Airports** are **Commercial Service Airports** that have more than 10,000 passenger boardings each year. Hub categories for **Primary Airports** are defined as a percentage of total **passenger boardings** in the most current calendar year ending before the start of the current fiscal year. For example, calendar year 1997 data are used for fiscal year 1999 since the fiscal year began 9 months after the end of that calendar year. Table 2 depicts the definition and formulae used for designating **Primary Airports** by **Hub Type**:

Table 2 Hubs Defined by Current Boardings	
Airport Hub Type	Percentage of Annual Passenger Boardings (Enplanements)
Large	1% or more
Medium	at least 0.25%, but less than 1%
Small	At least 0.05%, but less than 0.25%
Nonhub <sup>†</sup>	More than 10,000, but less than 0.05%

**b. Cargo Service Airports** are airports that, in addition to any other air transportation services that may be available, are served by aircraft providing air transportation of only cargo with a total annual landed weight of more than 100 million pounds. "Landed weight" means the weight of aircraft

<sup>†</sup> **Note: Nonhub Airports** - Locations having less than 0.05 percent of the United States passengers, including any non-primary commercial service airport, are statutorily defined as non-hub airports. For some purposes we separate the primary locations, although more than 100 non-primary airports are currently defined as a commercial service airport in this category.

transporting only cargo in intrastate, interstate, and foreign air transportation. An airport may be both a commercial service and a cargo service airport.

**c. Reliever Airports** are airports designated by the FAA to relieve congestion at **Commercial Service Airports** and to provide improved general aviation access to the overall community. These may be publicly or privately-owned. Contact APP-400 for assistance on reliever airport status.

**d.** The remaining airports, while not specifically defined in Title 49 U.S.C., are referred to as **General Aviation Airports** and comprise the largest single group of airports in the U.S. airport system. This category also includes privately-owned, public use airports which enplane 2500 or more passengers annually and receive scheduled airline service. The pilot program on airport privatization may affect individual general aviation airports, and questions on it should be directed to AAS-400. The pilot program may affect definitions involving scheduled airline service.

## 24. CHANGES IN AIRPORT CLASSIFICATION.

**a. Primary Airports.** Any apportioned funds earned by an airport whose classification has changed from primary to nonprimary will be available to that airport for the entire 3-year (4-year in the case of nonhub, primary airports) life of those apportionments regardless of any subsequent change in airport classification. See paragraph 25a below. Should a primary airport be inadvertently or erroneously classified as a nonprimary in the annual announcement of apportionment distribution, a sum equivalent to the earned apportionments may be made available to the airport from discretionary funds.

**b. Reliever Airports.** Regions may designate airports as relievers (assuming they meet criteria for relievers) at any time during the year. Contact APP-400 for assistance on designating reliever airports.

**c. Other Airports.** A few airports change from general aviation to commercial and vice versa during a year. For funding classifications for these borderline airports, consult with APP-520.

## 25. DISTRIBUTION OF FUNDS.

Statutory provisions require that AIP funds be apportioned by formula each year to specific airports or types of airports. Such funds are available to airports in the year they are first apportioned and they remain available for the two fiscal years (three fiscal years in the case of non-hub primary airports) immediately following. Among the recipients of apportioned funds are primary airports, cargo service airports, States and insular areas, and Alaska Airports. Figure 2, at the end of this paragraph, depicts how the funds are divided between funding categories.

**a. Primary Airports.** Each primary airport apportionment is based upon the number of passenger boardings at the airport. If full funding is made available for obligation, the minimum amount apportioned to the sponsor of a primary airport is \$500,000, and the maximum is \$22,000,000, in accordance with 49 USC 47114(c)(1)(B). These funds are calculated as follows:

- \$7.80 for each of the first 50,000 passenger boardings
- \$5.20 for each of the next 50,000 passenger boardings
- \$2.60 for each of the next 400,000 passenger boardings
- \$0.65 for each of the next 500,000 passenger boardings
- \$0.50 for each passenger boarding in excess of 1 million

**b. Small Airport Fund.** In 1990, legislation was enacted that allows public agencies controlling commercial service airports to charge enplaning passengers using the airport a \$1, \$2, or \$3 passenger facility charge (PFC). Public agencies wishing to impose a PFC must apply to the FAA for such authority and meet certain requirements.

Section 47114(f) of Title 49 U.S.C. requires that AIP funds apportioned to a large, or medium, hub

airport be reduced if a PFC is imposed at that airport. This reduction takes place in the fiscal year following the approval of authority for PFC collections at that airport and continues in each succeeding fiscal year in which a PFC is imposed. The apportionment for a fiscal year is reduced by 50 percent of the forecast PFC revenue in that fiscal year, but not by more than 50 percent of the apportionments calculated for that fiscal year.

The apportionments that are withheld as a result of PFC collections are distributed, in accordance with 49 USC 47116(b) as follows:

- 12.5 percent to the AIP discretionary fund; and
- 87.5 percent to the “small airport fund.”

Of the 87.5 percent distributed to the small airport fund, one seventh (12.5 percent of the total PFC-reduced apportionment funds) must be spent at small–hub primary airports, and the remaining divided as follows:

(1) one–third (25 percent of the total PFC-reduced apportionment funds) is distributed to general aviation (including reliever) airports, and

(2) the remaining two–thirds (50 percent of the total PFC-reduced apportionment funds) is distributed to nonhub commercial service airports.

**c. Cargo Service Airports.** Airports qualified as cargo service airports share the 2.5 percent of AIP apportionment made available to them in accordance with 49 USC 47114(c)(2). Cargo funds are apportioned to each cargo service airport in the same proportion as its proportion of landed weight of cargo aircraft to the total landed weight of cargo aircraft at all qualifying airports. No cargo service airport is entitled to more than 8 percent of the total amount apportioned to all–cargo service airports. Further, beginning in 1997, the Secretary is authorized to make a portion of the cargo funds available to airports not qualifying for these funds if the Secretary finds the nonqualifying airports will be served primarily by aircraft providing cargo–only air transportation.

**d. States/Insular Areas.** A total of 18.5 percent of the annual amount made available for obligation is apportioned for use at nonprimary commercial service, general aviation, and reliever airports within the States and insular areas in accordance with 49 USC 47114(d). Of this 18.5 percent, 99.34 percent is apportioned for airports based on an area/population formula within the 50 States, the District of Columbia, and Puerto Rico, while the remaining 0.66 percent is apportioned for airports in the insular areas (Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands). Although the apportionment is designated for use in these political entities, the FAA has the responsibility for determining which airports should receive grants in jurisdictions not funded through the State Block Grant Program. Funds apportioned for use within the states and insular areas remain available for the fiscal year in which first authorized and the two fiscal years immediately following.

**e. Alaska Supplemental Funds.** Funds are apportioned for certain Alaskan airports to ensure that Alaska receives at least as much as these airports were apportioned in FY 1980 under previous grant–in–aid legislation in accordance with 49 USC 47114(e).

**f. Discretionary.** The remaining funds are discretionary funds. Discretionary funds are of two types. One type is discretionary set-aside funds, which are more fully described in paragraph g. below. The other type consists of those funds remaining after the apportionments are made and the set-asides are accommodated. Of these remaining funds, 75 percent, known as capacity/safety/security/noise (C/S/S/N), is to be used for preserving and enhancing capacity, safety, security, and carrying out noise compatibility planning and programs at primary and reliever airports. The remaining 25 percent, known as remaining or pure discretionary, may be used for any eligible project at any airport.

**g. Set Aside Funds.** A portion of discretionary funds are set-asides designed to achieve specified funding minimums. A minimum amount of funding is directed to the following:

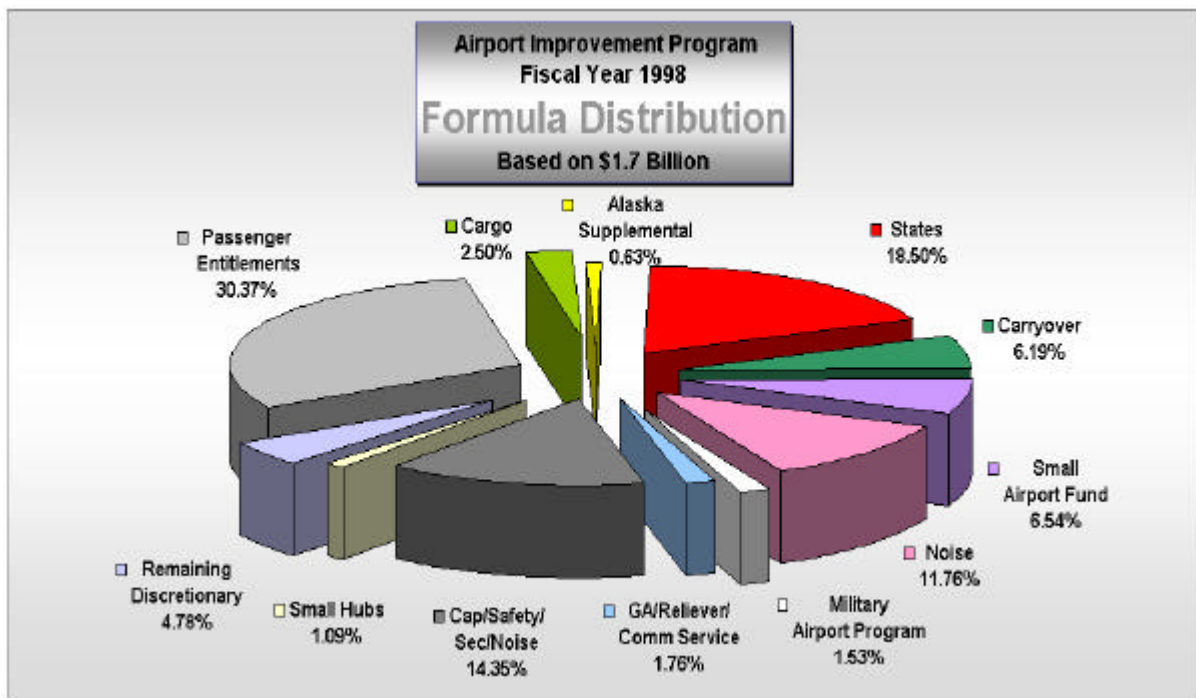
(1) An amount equal to 31 percent of the discretionary fund is reserved for noise compatibility planning and implementing noise compatibility programs under Section 47501 et seq. of Title 49 U.S.C. (formerly the Aviation Safety and Noise Abatement Act of 1979). Such minimum can be met with apportioned or discretionary funds;

(2) 4 percent of the discretionary fund is used for the MAP.

**h. Minimum Discretionary Fund.** The Act states that, beginning in FY 1997, not less than \$148 million plus an amount equal to payments from the discretionary funds for LOI's issued prior to January 1, 1996, must be available as discretionary funds (C/S/S/N and Remaining) after all apportionments and set-asides are satisfied. If less than this amount remains, all apportionments (except for Alaska supplemental funds) and set-asides are to be reduced by the same percentage to ensure that this amount is available for discretionary grants.

## 26. FEDERAL SHARE OF PROJECT COSTS.

**a.** For large and medium hub primary airports, the Federal share is 75 percent (except for noise program implementation which is 80 percent). Large and medium hub airports are primary airports that enplane 0.25 percent or more of the total annual U.S. enplanements. Approximately 70 airports qualify as large and medium hub primary airports



**Figure 2 Typical Percentage Distribution of AIP**

**b.** For all other airports, the Federal share is 90 percent.

**c.** The Federal share of costs associated with integrated airport system planning is 90 percent.

**Note:** There is an upward adjustment to these rates at some airports. See Appendix 27.

d. Section 601 of P.L. 96-205 (United States Insular Areas of Appropriation Authorization) requires waiver of up to \$100,000 of the sponsor's share of a grant issued after March 12, 1980, to American Samoa or the Northern Mariana Islands. Under this rule, a grant of up to \$1 million at the 90% participation rate would require no contribution from the sponsor.

## **27. MAXIMUM ALLOWABLE GRANT INCREASES.**

a. For Grants Prior to December 30, 1987.

(1) The United States maximum obligation under a grant agreement made prior to Dec. 30, 1987, shall not be increased by more than 10 percent for development projects or, in the case of land acquisition, by more than 50 percent of the total increase in the allowable project costs attributable to the acquisition. Further detail is in paragraph 1132 and appendix 17.

(2) For terminal development, any grant increase may not exceed the 60% of entitlement funds for primary airports or the \$200,000 discretionary funds for other commercial service airports.

b. For Grants On or After December 30, 1987, but Before September 30, 1992. The United States maximum obligation under a grant agreement shall not be increased by more than 15 percent for both airport development projects and land acquisition.

c. For Grants After September 30, 1992. The United States maximum obligation under a grant agreement shall not be increased by more than 15 percent for both airport development projects and land acquisition at primary airports. For land acquisition at other than primary airports, the maximum obligation may be increased by either the 15 percent of the original grant or 25 percent of the increase in total allowable project costs based upon credible appraisals or court award, whichever is greater.

d. Planning elements of any grant cannot be increased.

## **28. - 29. RESERVED.**

# **Section 3. OVERVIEW OF THE GRANT PROCESS AND PROGRAM FUNDING**

## **30. THE GRANT PROCESS.**

Figure 3 represents the steps taken by the FAA and the sponsor for a typical AIP construction project. Not all of these steps are necessary for each project, since requirements differ depending upon the work involved, the type of sponsor, project size, etc. The starting point within the project development stage is capital improvement planning, which should receive early attention of regions to ensure the succeeding steps in the process work well. Except for the Congressional notification process, all actions shown for FAA are carried out in the regions and field offices. Details on requirements and procedures for each of the steps are found in ensuing chapters of this handbook.

## **31. RESERVED.**

## **32. THE AIP FUNDING PROCESS.**

This process is covered in more detail in Order 5100.20, "Program Control and Reporting Procedures for Airport Grant Programs." However, the following description of funding terms and procedures will give the reader a broad overview of the process from funding authorization to grant payments and recoveries.

a. **Authorizing Legislation.** The Airport Improvement Program is authorized by Title 49, United States Code, as amended.

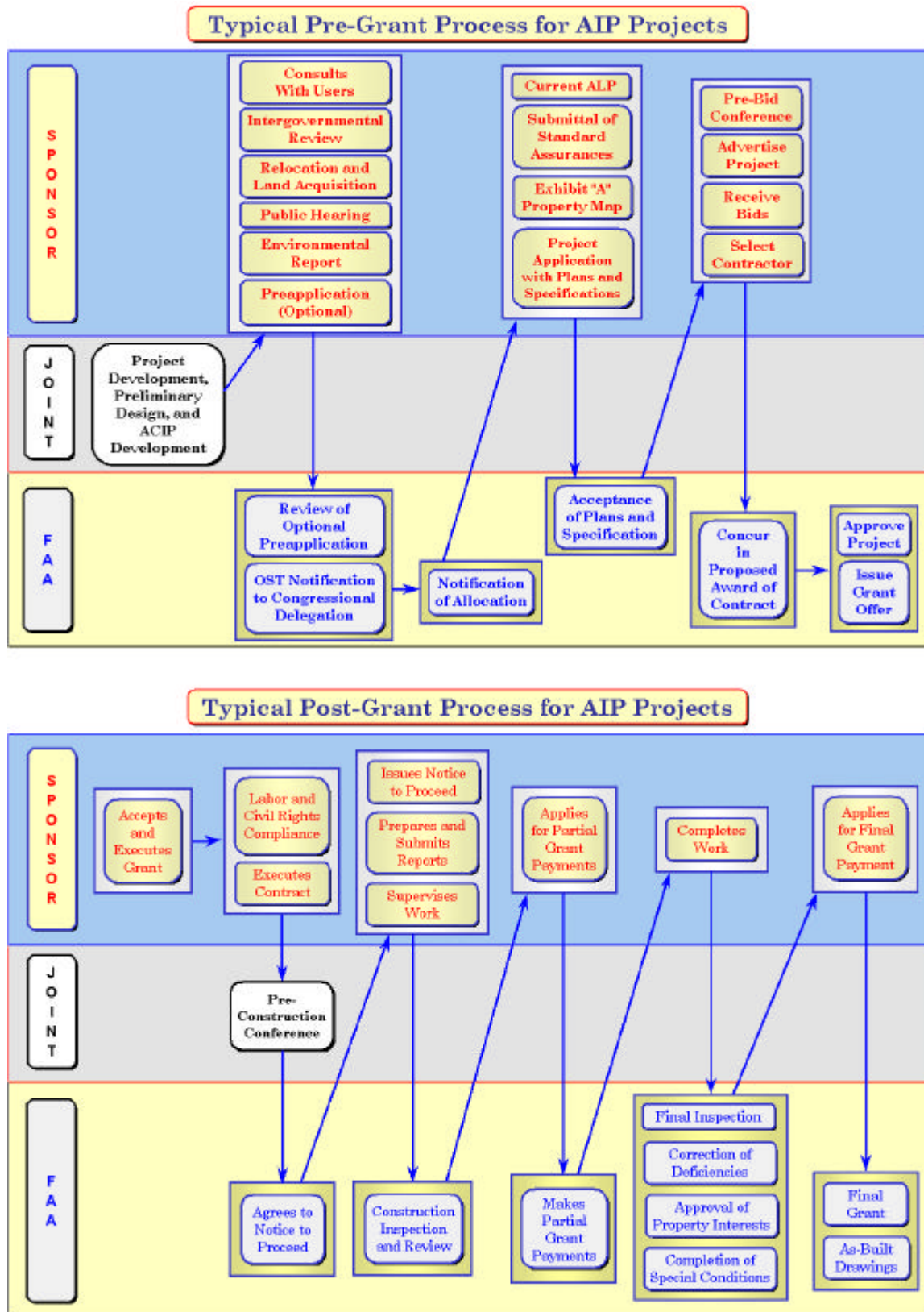


Figure 3 Typical AIP Grant Process

**b. Authorizations.** The enabling legislation contains authorization in the form of "contract authority".

**c. Appropriations.** In the absence of further Congressional action, the contract authority may be used to fund grants. However, Congress has always included language in annual appropriations acts that has the effect of limiting annual grant funds to either the authorized level or any different level as determined by Congress. These limitations are known as obligation limitations. Appropriations legislation sometimes is enacted in the form of a "Continuing Resolution".

**d. Apportionments.** There are two actions referred to as apportionments:

(1) The Act requires an apportionment of funds to be made each October to sponsors and states based on formulas in the Act. This notifies sponsors and states that these funds are available for eligible work, but does not involve any transfer of funds. These apportionments are more commonly referred to as "entitlements." (See paragraph 25, above.)

(2) The second type of apportionment is made by the Office of Management and Budget (OMB) and it allows the FAA to obligate congressionally authorized AIP funds. The OMB apportionment is formally requested by the FAA, which provides a financial plan for orderly use of the funds. The financial plan is based on regional submission of annual program plans as requested by the APP-1 annual airport grant programming guidelines issued each spring. The OMB apportionment may contain restrictions on the use of funds such as restrictions on the amount that may be used quarterly.

**e. Entitlements.** The term "entitlements" refers to the passenger, cargo service, and state apportionments available to sponsors and states based on formulas in the Act. See d(1) above.

**f. Planning Figures.** APP-1 will issue planning figures in the annual airport grant programming guidelines and also via telephone throughout the year. The planning figures do not constitute a transfer of funds but anticipate and usually will be followed by corresponding allotments. Planning figures issued in advance of Congressional appropriations may have to be revised if obligation limitations are different than expected.

**g. Allotments.** After the FAA receives an OMB apportionment, APP-1 will request the budget office to make an allotment of funds to regions to support previously issued planning figures. Allotments and adjustments to allotments will be made throughout the year as required.

**h. Allocations.** After a project is fully processed and approved, regions notify sponsors of an allocation of funds for the project. This is merely a notification of intent to grant (obligate) funds and does not involve a transfer of funds. Total allocations by a region can never exceed funds made available by headquarters to a region either in planning figures or allotments. Allocations based only on planning figures issued in advance of obligation limitations and apportionments may have to be withdrawn if final congressionally approved program levels are lower than originally expected.

**i. Obligations.** The execution of a grant agreement with a sponsor constitutes an obligation of the U.S. Government to pay the amounts specified in the grant. Obligations of funds are processed through regional accounting offices in two steps: A "reservations of funds" is made before the grant is signed and an "obligation" is reported when the grant is signed. Total obligations in a region may never exceed the total of funds allotted to a region.

**j. Payments.** Payments to a sponsor are made either through processing of requests submitted by a sponsor to the FAA or via a Letter of Credit arrangement. (See Chapter 13.)

**k. Recoveries.** As adjustments are made based on actual payments, funds may be recovered (deobligated) from existing obligations and under certain circumstances may be re-obligated for upward adjustments to existing projects, or for new projects. For block grants, funds are not normally recovered. They may be used within the grant for other eligible projects. For further information, contact APP-520.

**l. Carryovers.** Funds apportioned for primary or cargo service airports, states and Alaskan airports remain available for obligation during the fiscal year for which the amount was apportioned and the two

fiscal years immediately after that year (or the three fiscal years immediately following that year in the case of non-hubs). Grants using carryovers from apportionment funds may be used whether or not there is AIP authorizing legislation provided an apportionment has been made by OMB. Contact APP-500 for assistance.

### **33. PROJECT APPROVAL AND CONGRESSIONAL NOTIFICATION.**

Upon final approval by the Associate Administrator for Airports, the project is forwarded to the Office of the Secretary (Office of Congressional Affairs, I-10). That office provides notice of the project details to the appropriate congressional delegations as a courtesy so that they may notify their constituents. The timing of these notices to Congress is determined by the Secretary. When appropriate notifications have been completed, the Secretary notifies APP-520. Regional offices are then notified so that further grant award actions can begin. For further information, see Order 5100.20.

### **34. OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-102.**

a. OMB Circular A-102 (Revised), Grants and Cooperative Agreements With State and Local Governments, is now addressed solely to federal agencies. It establishes consistency and uniformity among federal agencies in the management of grants as well as cooperative agreements with State, local, or federally recognized Indian tribal governments. The most recent revision of OMB Circular A-102 was published in the Federal Register and became effective on March 11, 1988.

b. OMB Circular A-102 is supplemented by a "common" government-wide regulation addressed to sponsors that was simultaneously finalized by 24 federal agencies on the same date as the circular. The regulation adopted by Department of Transportation is in Title 49, Code of Federal Regulations, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Part 18 became effective October 1, 1988, except certain provisions on equipment and procurement, and prior versions of OMB Circular A-102 apply to earlier grants unless otherwise authorized.

c. The principal standards in Part 18 of the regulations, as they pertain to AIP, are summarized in Advisory Circular 150/5100-16A. Attachments to the previous version of OMB Circular A-102, which provided fiscal and administrative standards governing grants to sponsors, have been incorporated into Part 18 with few changes. In addition, detailed guidance on meeting these standards is found in appropriate places throughout this Order.

### **35. MANDATORY STANDARDS.**

In complying with Assurance 34, a sponsor is required to comply with all appropriate technical guidelines incorporated into identified advisory circulars; and these standards become mandatory for the project being funded. The list of the advisory circulars will be published electronically on the World Wide Web. Any guidance that needs to be specifically required for a project other than that identified in the headquarters list of current advisory circulars should be added to the project as a special condition. Standards in effect on the date of allocation of AIP funds to a project apply to that project. Standards that become effective after the date of allocation may be applied to the project by mutual agreement between the FAA and the sponsor. As allowed in section 47105(c) of the Act, where states have established and the Secretary has approved airport development standards at nonprimary, public-use airports (other than standards for safety of approaches) the applicable State standards shall be used. Any modification to the technical standards of the advisory circulars identified must be processed in accordance with the procedures of FAA Order 5300.1, "Approval Level of Modification of Airport Design Standards".

### **36. TRANSFER OF PASSENGER ENTITLEMENT FUNDS.**

A sponsor may enter into an agreement (appendix 19) with the Administrator to waive receipt of all or part of passenger entitlement funds on the condition that the waived amount be made available to the sponsor of another eligible public-use airport which is in the same State or geographic area as the

airport of the sponsor making the waiver. (A geographic area is defined as a multi-state area containing airports serving the same or adjacent standard metropolitan areas).

a. The waiver must be in writing and include the following information:

(1) Name of sponsor (or other eligible entity such as a state) which is to receive the passenger entitlement funds;

(2) Fiscal year funds being transferred;

(3) Date by which transferred funds must be obligated if different than date such funds would be converted to discretionary under provisions of the Act;

(4) Certification from sponsor's attorney that the waiver complies with all applicable laws and represents a legally binding commitment by the sponsor.

b. The sponsor waiving the funds and the sponsor receiving the funds may enter into a separate agreement concerning the transfer that they feel is necessary except as limited by subparagraph c., below. For example, the sponsor waiving the funds may enter into an agreement that specifies the project that must be undertaken. A copy of any such agreement will be included in the project file.

c. Passenger entitlement funds shall not be transferred in return for consideration of any sort, i.e., material, substantial, real, or actual (including in-kind), for the waiver. The grant agreement for the project to be funded from the transferred funds shall contain a special certification to be signed by the receiving sponsor that the entitlement transfer was not made in return for consideration or future obligation.

d. The transferred funds may not be used for terminal development at other than a reliever or commercial service airport.

e. The transferred funds are considered to be passenger entitlement funds of the transferee. All the guidance on use of such entitlement funds found in this Order is applicable.

f. There is no provision for transfer of cargo service entitlement funds.

### **37. STATE BLOCK GRANT PROGRAM.**

14 CFR Part 156 sets forth regulations to implement the State block grant pilot program under Section 47128 of the Act, as amended. (The pilot program has been made permanent.) Policy and procedures for the program are individually arranged with the participating states. See Chapter 9 for specific block grant procedures.

### **38. LETTERS OF INTENT. RESERVED.**

### **39. MILITARY AIRPORT PROGRAM.**

The Secretary can designate up to 12 current or former military airfields for inclusion in the Military Airport Program. These commercial service or reliever airports can receive grants for projects necessary to convert them to civilian use or to reduce congestion. Fuel farms, parking lots, hangars and certain other facilities are eligible for AIP funding participation under this program beyond that at other airports.

### **40. - 199. RESERVED.**



## Chapter 2. SPONSOR ELIGIBILITY

### 200. GENERAL.

Eligibility to receive funds under the AIP is contingent upon the type of sponsor and the type of activity for which funds are sought. The different types of sponsors that are eligible to receive funds are:

- a. Planning agencies;
- b. Public agencies owning airports;
- c. Public agencies not owning airports (as defined in paragraph 207); and
- d. Private airport owners/operators (as defined in paragraph 208).

A State, whether it owns an airport or not, may sponsor development at airports within the State. If the State is not the owner of the airport, please refer to paragraph 209 below regarding policies and conditions that apply.

### 201. LEGAL AND FINANCIAL RESPONSIBILITY.

Sponsors must:

- a. Be legally, financially, and otherwise able to assume and carry out the certifications, representations, warranties, assurances, covenants and other obligations required of sponsors which are contained in the AIP project application and grant agreement forms;
- b. Have the authority to act as a sponsor. An opinion of the sponsor's attorney as to its legal authority to act as a sponsor and carry out its responsibilities under the grant agreement will be required when deemed necessary or desirable, such as for a first time sponsor.

### 202. COSPONSOR.

Any two or more public agencies desiring to participate in accomplishing a project may cosponsor a project provided such public agencies jointly or severally meet the requirements of paragraph 201.a. above.

a. The terms and conditions of the grant agreement will jointly and severally bind cosponsors unless their respective rights and obligations with respect to an approved AIP project are otherwise set forth in a written agreement. A true copy of such agreement must be incorporated in or made a part of the project application submitted to the FAA office in whose jurisdiction the airport is located. The agreement shall, as a minimum, set forth:

(1) The responsibilities of each cosponsor to the others with respect to the accomplishment of the proposed development, operation, and maintenance of the airport;

(2) The obligations which each will assume to the United States; and

(3) The name of the sponsor or sponsors who will accept receipt of and disburse grant payments.

b. A public agency that desires only to contribute funds to a sponsor need not become a sponsor or an agent of the sponsor. However, any funds contributed become funds of the sponsor(s) for purposes of the project.

c. Any other entity not meeting the requirements of paragraph 201a may co-sponsor a development project only if an eligible sponsor co-signs the grant, and a written agreement must bind that sponsor to the terms and conditions of the grant.

### **203. AGENTS.**

A public agency authorized by State or local law may act as an agent of the public agency that owns and operates the airport without participating financially in the project or becoming a sponsor. The terms and conditions of the agency and the agent's authority to act for the sponsor must be set forth in an agreement that is satisfactory to the Administrator, a true copy of which must be submitted for approval with the project application. Such agent may accept, on behalf of the sponsor, a grant only if that acceptance has been specifically authorized by resolution or ordinance of the sponsor's governing body and such authority is specifically spelled out in the agreement.

### **204. PLANNING AGENCIES.**

A planning agency means any agency designated by the FAA Administrator which is authorized by the laws of the State or states (including the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and Guam) or political subdivisions concerned to engage in area wide planning for the areas in which the grant assistance is to be used.

a. **Typical State Planning Agencies.** Typical State agencies that are authorized by State law to engage in state airport system planning normally include planning offices, aeronautics commissions, and departments of transportation. In some cases, State law may authorize a system planning effort to be undertaken directly by the office of the governor. A legal opinion, supplied by the State agency applying for the grant and showing that State law permits the applicant to undertake the Federally assisted project, is a sufficient basis for determining eligibility. If the suitability of the applicant to undertake the effort is in question, the Administrator's designation of the planning agency will be based on:

(1) Comments from the State Single Point of Contact under Executive Order 12372;

(2) Comments from the governor; or

(3) The capability of the applicant to undertake airport system planning in a comprehensive statewide planning framework.

b. **Typical Metropolitan Planning Agencies.** Typical planning agencies which are authorized by State or local laws to engage in or metropolitan area airport system planning include Metropolitan Planning Organizations (MPO's), Councils of Government (COG's), Regional Planning Commissions (RPC's) and other similarly organized agencies. In most cases the planning agency will be in existence and have established boundaries. When it exists, the MPO designated by the governor shall be the sponsor or cosponsor for metropolitan system planning projects. If the MPO is not capable of engaging in area wide planning for the area in which the grant assistance is to be used, a cosponsor agreement shall be worked out between a planning agency that has the capability to do area wide airport system planning and the MPO. This arrangement is needed to insure that airport planning is properly considered in the overall transportation planning process for the metropolitan area and vice versa.

### **205. DESIGNATION OF ELIGIBLE PLANNING AGENCIES.**

Eligible planning agencies may receive system planning grants.

a. **Designation.** All sponsors for system planning projects must be designated by the FAA Administrator. This designation authority is delegated to the Airports Division Manager and is implicitly accomplished when a grant request is approved.

**b. Conflicting Applications.** Where more than one agency applies for a grant for the same or similar planning project, and where identification of the appropriate agency empowered to do the planning is not clear, the FAA will designate the eligible applicant based on which one is best equipped to do the planning. Contact APP-500 for assistance on conflicts.

**c. Airport Sponsorship Studies.** For systems planning projects, states may be requested to identify appropriate public agencies and airport sponsorship arrangements for airports within their jurisdictions (see paragraph 405w).

## **206. PUBLIC AGENCIES OWNING AIRPORTS.**

**a.** A public agency means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and Guam or any agency of them; a municipality, county, airport authority, or other political subdivisions; or a tax-supported organization; or an Indian tribe or pueblo:

**b.** Public agencies owning public use airports are eligible to receive grants for:

- (1) Airport master planning;
- (2) Noise compatibility planning;
- (3) Noise program implementation projects; and
- (4) Airport development projects.

## **207. PUBLIC AGENCIES NOT OWNING AIRPORTS**

**a.** See 206 a., above, for the meaning of public agency.

**b.** Public agencies not owning airports are eligible for master planning (including site selection) grants for new airports, acquisition of existing airports, and noise program implementation projects if such projects are included in the noise compatibility program prepared by the local airport sponsor and not disapproved by the FAA. (See Chapter 7 for Noise Projects.)

**c.** The designation of eligible public agencies not owning airports may be accomplished as part of airport planning. This designation needs special consideration before issuance of master plan grants to ensure proposals meet Federal requirements. See paragraph 201.

## **208. PRIVATE AIRPORT OWNERS.**

**a.** This may be an individual, a partnership, corporation, etc., that owns a reliever airport or a public use airport that receives scheduled passenger service of aircraft which enplanes annually 2,500 or more passengers.

**b.** A privately-owned/operated airport, as defined in a. above, is eligible for funding for:

- (1) Airport development projects;
- (2) Airport master planning;
- (3) Noise compatibility planning; and
- (4) Noise program implementation projects.

**209. STATE SPONSORSHIP OF AIRPORT PROJECTS.**

a. Section 47105(a)(1)(B) of the Act allows State sponsorship of development projects, including master planning, for one or more airports. This provision is subject to three statutory conditions:

(1) The sponsor of each airport shall consent in writing to State sponsorship;

(2) There shall be administrative merit and aeronautical benefit to the State sponsorship; and

(3) An agreement acceptable to FAA shall exist to assure compliance with appropriate grant conditions and assurances.

b. This provision could reduce FAA and State/sponsor workload by combining many grants into one and could provide economies of scale where appropriate through sole State sponsorship rather than numerous sponsorships. For instance, equipment could be acquired in quantity at potentially lower cost, several small and similar construction projects could be combined, or related airport master or layout plans could be prepared.

c. To simplify and promote national uniformity in the grant program, we have developed a standard agreement (Appendix 26) to be signed by the sponsor of each airport included in a State sponsored grant. The signed agreement(s) should be provided by the State to FAA with the pre-application package. This will satisfy requirements in the statute that airport sponsors consent in writing to State sponsorship of work at their airports and assure compliance with grant conditions and assurances. Should the State wish to retain one or all obligations, sufficient details should be spelled out as an addendum to the standard agreement in the form prescribed by paragraph 202 a.

d. Field offices should encourage State sponsorship if they determine there is administrative merit and/or aeronautical benefit in issuing a single grant for a number of related projects. This determination must be referenced in the project folder. When a project has mixed airport categories (types), each airport category and the associated discretionary and/or entitlement funds shall be reported to APP-520 when funds are reserved for the project.

e. Co-sponsorship of projects in accordance with paragraph 202 remains an alternative to this procedure if all parties believe this to be more efficient.

f. State block grants, as described in Chapter 9, Section 7, are an alternative to State sponsorship of airport projects. The block grant projects are restricted to States having been selected for the program. A block grant requires more capability within the State aviation agency. The main difference between the block grant and State sponsorship of airport project requirements under section 47105(a)(1)(B) is responsibility for project selection. States select airport projects funded by the block grants. Under the State sponsorship provision, the FAA selects the projects. For the States that express interest in the block grant program prior to having been selected for such, regions should encourage its sponsorship of airport projects as a transition in the event that the State may be added to the program.

**210. - 299. RESERVED.**

## Chapter 3. PROJECT ELIGIBILITY, ALLOWABLE COSTS, PRIORITY, AND DONATIONS

### Section 1. PROJECT ELIGIBILITY

#### 300. GENERAL PROJECT ELIGIBILITY REQUIREMENTS.

a. Chapters 3 through 7 provide guidance on the AIP eligibility of various items, including planning, airport development, land acquisition, and noise program implementation projects. No attempt has been made to identify every possible project as eligible or ineligible. Consequently, if the eligibility of an item is not specifically stated, it is incumbent upon the Airports field personnel to determine if the item meets the general guidelines of these chapters or to consult with the Program Guidance Branch (APP-510) if the eligibility is uncertain. However, no project grant application may be approved unless the Secretary is satisfied that:

- (1) The project sponsorship requirements have been met;
- (2) The project is reasonably consistent with the plans of planning agencies for the development of the area in which the airport is located;
- (3) Sufficient funds are available for that portion of the project not paid for by the United States;
- (4) The project will be completed without undue delay;
- (5) The airport location is included in the current version of the NPIAS;
- (6) The project involves more than \$25,000 in AIP funds unless, in the judgment of the responsible Airports office, it would be in the best interest of the Government to award a grant of a lesser amount.

b. The Act allows the separate funding of projects for the preparation of plans and specifications, including field investigations incident thereto. These will be funded only if they result in the complete preparation of plans and specifications for airport development work which has every expectation of beginning within two years.

c. A current airport layout plan (ALP) that depicts the proposed project and which has FAA approval from the standpoint of safety, utility, and efficiency of the airport shall be required before a development project is approved. Airport layout plans may be funded as part of master planning which is discussed in paragraph 406g. Likewise, airport layout plans may be funded retroactively as project formulation cost to add the work of the project onto the ALP and reflect actual conditions existing on the airport. If current design standards for the airport need to be reflected on the ALP, this work is eligible as project formulation cost. If an environmental assessment is needed for the project, the assessment is also eligible as project formulation cost. ALP approval requirements and conditions are discussed in paragraph 428d.

#### 301. PROHIBITIONS.

a. **Legislative Determination.** The Act specifically prohibits using AIP funds for decorative landscaping (see paragraph 591), the provision or installation of sculpture or works of art, and for the construction, alteration, or repair of:

- (1) Public parking facilities for passenger automobiles;
- (2) A hangar; or

- (3) Any part of an airport building except those identified in paragraphs 551 and 567.

The prohibitions contained in a(1) and a(2) do not apply to airports designated by the Secretary under the Military Airport Program (MAP). Not more than a total of \$4 million at each airport can be spent for parking lots, fuel farms, utilities and hangars under the provisions of the Act. Also, the prohibition against public parking facilities does not apply to non revenue facilities at non hub primary airports. See Chapter 5.

**b. FAA Policy Determination.** Headquarters will make a determination on the eligibility of unusual projects on a case-by-case basis and based on FAA's interpretation of the intent of Congress. Appendix 2 lists those projects or work items found ineligible for funding. To insure a consistent national program, field offices must follow this guidance.

### **302. ENVIRONMENTAL REQUIREMENTS.**

**a.** All AIP projects, including projects for plans and specifications, require environmental processing prior to FAA approval. Every project will fall within one of the following categories:

- (1) Those requiring an environmental assessment and preparation of either an EIS or FONSI;
- (2) Those which are categorically excluded.

**b.** Detailed guidance on the environmental process is provided in Order 1050.1 and in Order 5050.4.

### **303. OFF AIRPORT WORK.**

Work items must be located within the airport boundary to be AIP and PFC eligible. The only exceptions to this requirement are:

- a.** Removal of obstructions;
- b.** Out fall drainage ditches. The correction of any damage resulting from construction of ditches is an eligible cost;
- c.** Relocation of roads and utilities constituting airport obstructions;
- d.** Relocation of roads and utilities to allow eligible airport development;
- e.** Installation or relocation of navigational aids, including markers;
- f.** Construction and installation of utilities;
- g.** Lighting and marking of obstructions;
- h.** Airport waste-water treatment plants;
- i.** Noise program implementation projects; and
- j.** Environmental mitigation measures required as a condition of environmental approval (e.g., wetlands replacement).

### **304. WORKS OF ART.**

**a. General.** It is FAA policy to support projects that contribute to the architectural and cultural heritage of local communities. In accordance with this policy, airport sponsors are encouraged in their early planning procedures to use design, art, and architecture to reflect local customs and history of the

community or other cultural emphasis. This can be accomplished without impairing function, safety, and efficiency of the facility.

**b. Definitions.**

(1) **Design.** The process of arranging works of art, physical spaces, materials, and objects to perform specific airport functions.

(2) **Art.** Airport objects for aesthetic effect.

(3) **Architecture.** The design and construction of airport objects, including the character, structure, or site planning.

**c. Art Eligibility and Limitations.** Architectural treatment of the inside and outside of buildings to reflect local custom, style, or cultural attitudes is eligible. Structural requirements that may be needed for works of art are also eligible. Examples of the ineligible costs in an airport development project include:

(1) Any art feature for areas not seen or used by the general public; and

(2) Art works for the sole purpose of aesthetic enhancement.

**305. RELOCATION OR MODIFICATION OF FAA FACILITIES.**

**a.** The relocation of an FAA radar facility or airport traffic control tower, or modification in lieu of relocation is eligible when necessitated by an AIP or PFC development project on the airport. Other relocations or modifications are handled on a case-by-case basis. The sponsor is responsible for the cost of relocating or modifying these facilities under Order 6030.1, "FAA Policy on Facility Relocations Occasioned by Airport Improvements or Changes". The term "modification" as used in this paragraph is limited to those modifications which are required as a result of eligible airport development projects; for example, the installation of a directional localizer in lieu of relocating the localizer. Other modifications are chargeable to the F&E Program. The relocation of navaids and other public facilities for the convenience of the owner, or to increase their capability for use, is not eligible. If the FAA elects to install a new navaid in lieu of relocating the existing one, the sponsor's responsibility and, consequently, AIP participation is limited to the estimated relocation cost.

**b.** The acquisition and installation of interim navaids will be eligible when the regional office determines they are necessary to provide instrument capability during an extended period of time for construction.

**c.** For relocation of airport traffic control towers (ATCT), if the ATCT is sponsor-owned, see paragraph 595a. If the ATCT is FAA-owned, see paragraph 595b.

**d.** Consult APP-510 before approving relocation projects exceeding \$500,000.

**306. PAVEMENT EVALUATIONS.**

**a. Pavement Condition Surveys.** Pavement condition surveys are eligible as project engineering, master planning, or system planning. A pavement condition survey is a procedure for visually inspecting pavement surfaces, both flexible and rigid, for signs of distress resulting from the influence of aircraft traffic and climatic conditions. The procedure is described in Advisory Circular 150/5380-6. The purposes of a pavement condition survey include:

(1) Determining present condition of the pavement in terms of apparent structural integrity and operational surface condition;

(2) Providing the sponsor with a pavement condition index (PCI) for comparing condition and performance of pavements at airport(s);

(3) Providing the sponsor with a rational basis to justify, prioritize, and program airport development projects; and

(4) Providing feedback on pavement performance for validation and improvement of current pavement design.

**b. Pavement Management Programs.** The pavement condition survey described in paragraph 306a is only an indicator of pavement condition at a point in time, and it involves little evaluation or systematic management of pavements. To be more useful for identifying cost-effective maintenance and rehabilitation, the pavement condition survey may be used in conjunction with a systematic approach to inventory and to evaluate data. As described in Advisory Circular 150/5380-7, pavement data may be evaluated at both the network and project levels.

**(1) Network Level.** The network level pavement evaluation considers total pavements in a system or master planning context and examines general alternatives and time frames to maximize benefits. It is directed toward keeping acceptable performance while minimizing maintenance and rehabilitation costs. Network level evaluation may be for one or more airports.

**(2) Project Level.** Project level pavement evaluation usually focuses on one airport and results in detail appropriate to development project formulation, not to planning projects. The objective is to assess causes of pavement deterioration, determine potential solutions, assess benefits of specific alternatives, carry out life-cycle costing, and select the solution. At this level, sufficient information must be obtained to evaluate the pavement's structural capacity and to determine the causes and extent of pavement deterioration.

**(3) Eligible Work.** Sponsors of planning studies desiring to establish a network pavement management program may properly request funding under that broad heading or some related title. The level of detail proposed should be reviewed to determine eligibility for system or master planning. More detailed studies at the project level are reserved for development projects.

**(a) System and Master Planning.** A pavement management program at the network level is eligible as systems or master planning. Work activities are limited to the following.

1. Network definition to divide pavement data into components for storage, retrieval, and evaluation;

2. Pavement condition survey to inspect pavement surfaces for signs of distress resulting from aircraft traffic or climatic conditions and development of a PCI;

3. Construction history including dates and pavement structure of new construction, overlays, and rehabilitation work. A determination should be made on an airport by airport basis that FAA pavement files are not current before funding this element;

4. Traffic inventory and load intensity for each pavement section;

5. Inspection scheduling based on minimum PCI levels and pavement deterioration rates;

6. Pavement condition projections based on rating network deterioration or improvement to determine the impact of deferring maintenance and rehabilitation;

7. Priority scheme and ranking of pavement sections by condition within various grouping options;

8. Maintenance and rehabilitation cost scheduling to develop average unit costs based on surface type, PCI ranges, and distress severity;

9. Budget planning to develop minimum target PCI levels for each pavement type in the network;

10. Acquisition of available software dedicated to the study, e.g. Micro-PAVER, and the cost of computer time to store, process, and evaluate the data. Customizing of commercially available software is eligible only if reasonable in terms of the overall product needed. Computer processing and graphics should not be funded unless necessary or the least cost method for the work proposed.

**(b) Master Planning Projects.** Pavement testing is eligible primarily as an engineering cost in development projects. Pavement testing in master planning may be considered on a case by case basis. Consult with APP-510 before approval.

**(c) Development Projects.** Activities at the project level of pavement evaluation are normally eligible under development projects as follows:

1. Friction surveying and friction measuring devices;
2. Nondestructive testing such as deflection testing, ground penetrating radar, and video logging;
3. Destructive testing such as soil borings, pavement cores, and soil strength tests;
4. Detailed evaluation of alternatives and development of engineering solutions; and
5. Engineering design work.

**(4) Ineligible Work.** The following pavement management activities are ineligible:

**(a)** Development and unnecessary customizing of software beyond that commercially available. This is research, not planning or design. The limit on customizing software is a judgment which depends upon use of the final product and overall value for the airport(s). For instance, the products of pavement management programs under system or master plan projects need to be individually compatible with other planning activities;

**(b)** Computer hardware and common use software, e.g. word processing;

**(c)** Pavement management programs at airports not in National Plan of Integrated Airport Systems; and

**(d)** Day-to-day operational costs of running a pavement management program beyond periodic updating of the pavement management program.

**c. Scope and Use of Pavement Evaluation Under Planning Projects** Pavement condition surveys and pavement management programs under planning projects require special consideration:

**(1)** Normally, pavement evaluation should be accomplished through master planning at major airports, with the State system plan covering other airports the State wishes to cover;

**(2)** Pavement evaluation and updates for a particular airport should be accomplished in either the system plan or master planning. Duplication of pavement evaluation activities at a given time is ineligible;

**(3)** Once a pavement evaluation program is undertaken, the sponsor must commit to keeping the data current through a triennial update of the entire program or any other reasonable approach. For instance, a phased approach with one-third done each year is reasonable; and

(4) Airport development identified through a pavement evaluation program should be reflected in the sponsor's capital improvement program.

**d. Cost Guidance for Pavement Evaluation.** The cost of pavement condition surveys and pavement management programs has varied widely. The methodology of each proposal should be reviewed carefully to determine that costs and man-hours are necessary and reasonable. Questions about the cost of pavement evaluation should be addressed to AAS-200.

### **307. EQUIPMENT PROCUREMENT UNDER PLANNING GRANTS.**

In general, the purchase of any equipment as part of a planning project is ineligible. This policy applies to the purchase of computer equipment as set forth in paragraph 405u, office equipment, or any hardware even though its use is necessary to perform the planning work. Contact APP-510 for assistance on specialized instruments or hardware needed for planning projects.

**308. - 309. RESERVED.**

## **Section 2. ALLOWABLE/NONALLOWABLE COSTS**

### **310. ALLOWABLE PROJECT COSTS.**

OMB Circular A-87, Cost Principles for State and Local Governments, describes requirements on allowable project costs. The Single Audit Act of 1984, implemented by OMB Circular A-133, Audits of State, Local Governments and Non Profit Organizations, establishes procedures to ensure uniformity in the process for making sponsor audits and allowable cost determinations by the Federal Government.

**a. Direct and Indirect Costs.** Subparagraph 310b provides indirect cost guidance and the remaining subparagraphs are on direct costs. For the purpose of computing the amount of an AIP grant, allowable project costs are a direct or indirect cost in accordance with OMB Circular A-87 paid or incurred under a planning project, an airport development project, or a noise program implementation project, which, in the opinion of the Administrator:

(1) Is necessary for the accomplishment of the project in conformity with the approved plans and specifications, approved program narrative, and terms and conditions of the grant agreement;

(2) Is reasonable in amount (or be subject to partial disallowance to the extent the FAA determines it is unreasonable). paragraph 1022 provides guidance on determining reasonableness of costs;

(3) Is supported by satisfactory evidence; and

(4) Was incurred after the date of execution of the grant agreement; except that the following costs incurred prior to the execution of the grant agreement may be allowed:

(a) Costs necessary to the formulation of a project, such as the preparation of plans and specifications, preparation or revision of an ALP, environmental assessment, performance of a benefit cost analysis and field surveys;

(b) Land acquisition;

(c) Work accomplished after the issuance of a Letter of Intent (see Chapter 9); and

(d) Costs incurred after September 1996 to be paid using funds apportioned to a sponsor as passenger or cargo entitlements.

**b. Indirect Costs.** Indirect costs are allowable only if the sponsor has an approved cost allocation plan and, when required, an executed indirect cost rate agreement in accordance with OMB Circular

A-87. Advisory Circular 150/5100-10, Accounting Records Guide for Airport Aid Program Sponsors, contains the basic instructions needed by the sponsor to prepare and submit the cost allocation plans and indirect cost rate proposals.

(1) A cognizant agency process is used whereby one Federal agency approves indirect cost allocation plans and rates on behalf of all other Federal agencies. This agency is generally the Federal agency that has the greatest dollar involvement with a given sponsor. Cognizant administrative responsibility within DOT is determined by the Office of Acquisition and Grant Management, M-60, in conjunction with the Office of Inspector General (OIG) and the operating administration involved.

(2) The operating administration's responsibilities are included in paragraph 1322. Within the FAA, responsibility for approving cost allocation plans and negotiating and executing the indirect cost rate agreement is delegated to the regional Airports Division Manager. The regional Airports Division should use Order DOT 4600.11, Principles for Determining Costs Applicable to Grants and Contracts with State and Local Governments. Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government, OASC-10, developed by the Department of Health, Education and Welfare, dated December 1976, also contains guidance for cost allocation plans as well as indirect cost rate agreements. Copies of OASC-10 may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

(3) Local governments are required to submit cost allocation plans and indirect cost rate proposals for review and approval. See paragraph 1322 for additional guidance regarding audit responsibilities.

**c. Project Administrative Costs.** Necessary and reasonable direct administrative costs are allowable. No administrative costs can be allowed in connection with the accomplishment of a project unless supported by evidence that such costs were actually incurred by the sponsor and were necessary to the accomplishment of the project. When a sponsor intends to claim direct administrative costs, an Administrative Cost Plan may be required. This plan should be prepared to show the personnel, how the cost is specifically related to the project, and the type of documents or other evidence which will indicate the action is a direct involvement.

(1) Administrative costs incurred in connection with a project regardless of whether or not incurred by regular and continuing employees of the sponsor may be allowed only if they are properly supported and substantiated. Arbitrary or prorated administrative costs which are not or cannot be supported and substantiated as having been incurred for the project shall not be considered as allowable project costs.

(2) Administrative services provided by contract are allowed provided that the contract meets the procurement standards of 49 CFR Part 18.

(3) Project formulation costs incurred by a sponsor in the preparation of the pre-application and application and the necessary documentation including surveys, title examination, appraisals, relocation plan, preparation of environmental assessments, public hearing expenses, other necessary legal work, and administrative expenses are allowable.

(4) Sponsor attorney fees charged to a project must be reasonable. A breakdown of such fees must be submitted showing the portion of the total fee allotted to each class or type of service rendered and the appropriate amount of time devoted to each class or type of service.

**d. Engineering Costs.**

The costs of engineering services needed in connection with an airport development or noise program implementation project are allowable provided they are reasonable. If not, only such amount as is determined to be reasonable shall be considered an allowable cost.

(1) Engineering costs can normally include the preparation of plans and specifications, initial field investigations, preliminary design, testing, cost estimating, preparation of bid documents, bid evaluation services, construction inspection, and technical consulting services to the sponsor.

(2) All contracts for engineering and planning services and force account (see paragraph 1230 for a definition of force account) proposals must be submitted for FAA approval before execution of a new contract or extension of an existing contract or before performance of force account work. If appropriate, this may be accomplished by sponsor certification procedures as outlined in Chapter 15, Section 4. FAA shall select contractors that prepare an environmental impact statement as described in Advisory Circular 150/5100-14.

(3) The costs of development of plans and specifications for items of eligible development included in a notice of allocation, but excluded in the grant offer, are allowable costs under the project. Federal participation in such costs, however, should be deferred until the development is included in a grant agreement. This is preferred for those airports where it is reasonably certain that the excluded development will be included in a grant agreement within two years. If such costs are included in the current grant agreement, procedures must be established to preclude duplication in a future grant for the development work itself.

**e. Construction Costs.** The costs of construction necessary to complete the project according to the plans and specifications are allowable to the extent that they are reasonable.

(1) **Force Account.** Sponsor's force account construction costs will not be allowed unless construction by that method has been approved in advance by the FAA. Construction by sponsor's force account is considered to be construction done without the benefit of a contract or the services of a contractor. (See Chapter 12, Section 4.)

(2) **Temporary Construction.** If the FAA makes a determination that uninterrupted operation of the airport is necessary and that such operation could not be continued without temporary construction, costs of temporary construction are allowable even though a portion of the work cannot be salvaged. The cost of temporary measures needed to protect air and water quality is also allowable.

(3) **Non-eligible Buildings or Facilities Removal and Relocation.** The costs of removal and relocation of non-eligible buildings or facilities constituting airport hazards or which must be moved to carry out an AIP project are allowable up to the appraised value. See paragraphs 582 and 595.

**f. Legal Fees and Litigation Costs.** Legal fees and related litigation costs determined to be necessary to the accomplishment of an AIP project and reasonable in amount are allowable. The Manager of the Airports Division is responsible for determining what services are necessary for the accomplishment of a project and the reasonableness of legal fees and related court costs (including settlement amounts) under \$100,000. Legal fees and related court costs (including settlement amounts) of \$100,000 or more must be submitted to APP-I for review and approval. In forwarding such matter for review, the region should include its analysis of the situation, its recommendation, and proposed method for payment.

**g. Land Costs.** See Chapter 6.

**h. Relocation Assistance Costs.** See Chapter 6.

**i. Audit.** See Chapter 13.

**j. Special Situations.** Where accomplishment of an airport development project cannot be carried out unless certain actions are taken, e.g. a court order or mitigation measure in an environmental program specifically stated as a prerequisite or a legal agreement between the airport sponsor and another party, the cost of taking such action may be eligible. If no precedent for these costs being eligible exists, APP-500 should be consulted on a case-by-case basis.

**k. Program Administration Costs.** Program administration costs are those costs that are associated with administrative requirements of several AIP grants. For instance, the project administration costs are allowable under block grants in accordance with paragraph 310c, although we do not normally allow a state's overall program administrative cost (such as preparation of airport grant information for sponsor's, reviewing the sponsor's grant application, or accounting for program expenditures). Such costs are ineligible unless specifically allowed by statute, regulation, waiver of regulation, or a similar provision.

### **311. NONALLOWABLE PROJECT COSTS.**

The following costs are not allowed (see Appendix 2):

**a.** That part of the cost of acquiring an existing private airport that represents the cost of acquiring public parking facilities for passenger automobiles, hangars, and all other buildings not eligible as airport development. (The land on which these facilities are located is eligible if required for airport purposes.)

**b.** The cost of material and supplies owned by the sponsor or furnished by a source owned by the sponsor if the materials and supplies were used for airport development before the grant agreement was executed, or the cost of eligible material and supplies which is not supported by proper evidence of quality, quantity, and value.

**c.** The cost of non-expendable machinery, tools, or equipment owned by the sponsor and used under a project by the sponsor's force account, except the fair rental value of such machinery, tools, or equipment for the period it is used on the project.

**d.** The share of otherwise eligible metropolitan area or statewide airport planning as an airport development project item.

**e.** Any costs incurred in connection with raising funds by the sponsor, including interest and premium charges and administrative expenses involved in conducting bond elections and in selling bonds. Such costs are ineligible unless specifically allowed by statute, regulation, or a similar provision.

**f.** The cost of preparation and adoption of an airport zoning ordinance except as part of an airport master plan or noise compatibility program.

**g.** Interest charges, except payment of interest directed by a court in a condemnation proceeding, which then becomes part of the condemnation award and allowable. However, where the amount deposited in court as fair market value was adequate and could have been withdrawn by the property owner without prejudice to his/her rights in the condemnation proceeding, such interest payment is not allowable.

**h.** The cost of tuition, travel, and subsistence for a sponsor's planning personnel to attend airport planning courses, seminars, or conferences except conferences dealing exclusively with the approved work program. The grant program may not be directed toward training sponsor or contractor personnel. However, if program administrative costs have been allowed under paragraph 310k, training (as an element of such costs) may be eligible. See Chapter 5 for a discussion on the interactive training system.

**i.** The cost of obtaining liability insurance covering an airport sponsor (whether paid for by the sponsor or the contractor) is not an eligible cost under the AIP. This applies both to cases in which the insurance requirement is listed as a separate cost item in an invitation for bid (IFB) and in which the sponsor requires such coverage as a factor in bidder qualification. In either case, the inclusion in an IFB of the requirement for liability insurance coverage of a sponsor by a contractor is a shift of operating expenses into a grant project and must be either removed from the IFB or be bid as a separate cost item and disallowed. The costs for coverage to protect the contractor against losses related to the project,

such as property and casualty insurance and additional liability coverage, insofar as they are reasonable components of overhead, are eligible for reimbursement under the AIP.

j. Costs incurred prior to the grant agreement unless the costs are incurred for project formulation, or land acquisition, or the region has been notified of the sponsor's intent to use entitlements and has approved the work for reimbursement.

**312. - 319. RESERVED.**

### **Section 3. PRIORITY SYSTEM**

#### **320. NATIONAL PRIORITY SYSTEM.**

A priority system for funds distributed at the discretion of the Secretary has been established to provide uniform criteria so that the funding is used more efficiently. The priority system is also available for considering use of entitlement funds and block grants. Projects are favored that best carry out the purpose of the Act, with highest priority given to safety, security, reconstruction, standards and capacity, in that order. The priority system does not consider all factors that states, local governments, or private sponsors use within their priorities. However, so that the objectives of non-federal entities are considered in project selection, the application of the national priority system is flexible as allowed under Order 5100.39.

**321. - 349. RESERVED.**

### **Section 4. DONATIONS, CONTRIBUTIONS, LOANS**

#### **350. GENERAL.**

The value of donated land or labor, materials, and equipment donated or loaned to a sponsor may be credited toward the sponsor's share provided the item is necessary to accomplish the project (except land as noted in paragraph 351, below) and is one for which the sponsor otherwise would have paid. Proposed donations on which grant payments will be requested must be identified and a valuation agreed upon between the regional field office and the sponsor. This agreed upon valuation shall be set forth in the grant application. The project file must contain information used in arriving at this agreement.

#### **351. LAND DONATED TO SPONSORS.**

a. For land donations only, the regional field office may at its discretion agree to allow credit of donated land not associated specifically with the proposed grant project if it is AIP eligible land that the regional field office supports as needed for the airport and the FAA would have otherwise been willing to participate in its acquisition. If the established value of the donated land exceeds the local share of the project to which it is to be credited, the regional field office, at its option, may agree to carry over for future credit against another eligible project the unused portion of the value of the donated land.

b. The value of the donated land which FAA will allow to be credited towards the sponsor's share of a project will be determined using a conservative approach. The maximum value allowable for donated land is the market value of the land at the time of conveyance to the sponsor. The market value is established by an independent qualified appraiser selected by the sponsor and approved by the FAA. The FAA should carefully review the appraisal before agreeing to the recommended value to ensure it appropriately reflects the value at the time of conveyance to the sponsor. A final determination of both the validity and value of the donation will normally be based on the following information, as applicable:

##### **(1) Validity of the Donation.**

(a) All documents pertaining to the transaction, including:

1. Whether the donation has been consummated or is prospective;

2. The identity of the donor;
3. Financial condition of the donor;
4. How the land was acquired by the donor;
5. The actual relationship between the donor and the sponsor, whether personal, contractual, or otherwise; and
6. Identification of any benefit or consideration flowing to the donor as a result of the transaction.

**(b)** After the necessary information has been collected, the following must be considered in determining the validity of the donation:

1. If the donor is or was, in fact, acting as agent or otherwise for the sponsor in obtaining and conveying the land to the sponsor, the transaction is not a donation, and no part of the claimed value will be allowed;
2. Any provision for reversion of the donated land to the donor will make the transaction unallowable as a donation except where the reversion is only to be effective if and when the donated land is no longer used for airport purposes. In this event, the impact of the reversion provision should be reflected in the value established for the donation;
3. If there is or was any direct consideration flowing to the donor (excluding tax benefits or future appreciation to other land owned by the donor in the vicinity of the airport), the transaction is unallowable as a donation. If the donor conveys an airport or the site to a public agency without monetary consideration, but restricts the use of the land for airport purposes and reserves to himself the right to exclusive use of a certain portion for the conduct of a fixed base operation together with the right of use of the landing area and other public use facilities in the conduct of his business, the transaction will not be considered a donation;
4. The reservation of only a right of use of the public use facilities of the airport, in common with others, is not objectionable because that is a right of the donor, as a member of the public.

**(c) Value of the Donation.**

1. Copy of the deed conveying the land to the sponsor;
2. Copy of any agreement between the donor and the sponsor relating to the conveyance or to any rights reserved by or granted to the donor in connection with the future use of the land or the airport;
3. Date of acquisition by donor and price paid by donor, or if property was acquired by the donor through inheritance or gift, the value affixed to such property for tax purposes at the time of acquisition;
4. Whether the land has been improved since acquisition by the donor, and if so, the nature and cost of the improvements and when and by whom made; and
5. Other available pertinent information relating to the value of the land at the time of conveyance to the sponsor and the circumstances surrounding the transaction.

**352. LABOR, MATERIAL, EQUIPMENT, AND SERVICES DONATED TO SPONSORS.**

Similar to donated land, the validity and value of the donation should be determined using a

conservative approach. The evaluation should be based on the following:

**a. Validity of the Donation.**

(1) Where the donor receives a reciprocal benefit from the airport as a result of the donation, the donation cannot be considered valid. An example of this is the dumping of excess material on an airport site by a party who is doing so for the primary purpose of clearing or excavating and is, in fact, abandoning such material. In such a case, the excess material is not an item for which the contributor would have made a charge. As another example: Where a utility company removes a utility line from a location where it conflicts with airport development or operations, and such removal is undertaken by the utility company to serve its own purpose rather than at the request of the airport owner, the removal shall not be considered a donation;

(2) If the donor is or was, in fact, acting as agent or otherwise for the sponsor in obtaining the equipment, labor, services, or material, the transaction is not a donation, and no part of the claimed value will be allowed.

**b. Value of Donation.**

(1) The value of the donation should be determined in the same manner as sponsor force account work, as outlined in paragraph 1233, except for personnel costs.

(2) The current prevailing wage rate for the various classes of labor in the particular locality should be paid for donated labor, except in those cases where it is determined that a lower wage scale is proper in view of the lack of skill and experience of the donors of the labor.

(3) The same principle is applicable to other types of donated personal services such as engineering services, legal services, etc., in that the applicable prevailing fee for each type of service may be considered the fair value of the service rendered.

(4) Donated material, equipment, and supplies shall be valued at current market value at the time they are donated to the project.

**353. TREATMENT OF CREDITS IN THE GRANT AGREEMENT.**

The project description should clearly reflect the phrase "credit as the complete (or partial, if appropriate) local share the donation of ..." with a specific description of the land, labor, material, services, or equipment donated. The description for donated items should not read "acquire or reimburse" since neither is appropriate. The amount to be credited, where the sponsor's complete local match is to be covered by the credit, must reflect a value that covers the additional local match required for the donated item. As an example, assume a project consists of construction of a runway extension and the sponsor proposes to use donated runway protection zone land as its local match. If the location receives 90 percent Federal participation and the value of the land is \$50,000, the maximum value of the project (runway extension and land) would be \$500,000 and the AIP grant would be \$450,000. If the runway extension itself cost \$500,000, then the minimum value of the donated land would have to be 10 percent of the combined value of the land plus runway extension or \$55,555. This value can be determined by dividing 10 percent of the value of the runway extension project cost by 90 percent. On page 2 of FAA Form 5100-37, Conditions, the maximum obligation shall be restricted to the resultant Federal share of the project; and the breakout in Condition 1 shall reflect the airport development item and not the donated item to be credited as the local share. In general, except as noted above, the project application rather than the grant agreement will be the vehicle to clearly identify the pertinent facts associated with the credited item. In the case of donated land to be credited, the Exhibit A should clearly identify the portion of land credited and the AIP project to which it applies. This allows record keeping if unused land is approved in the future accordance with paragraph 351.

**354. LAND CONTRIBUTED BY A PRIVATELY OWNED RELIEVER**

Title 49 U.S. Code provides a special rule regarding the valuation of land contributed by the sponsor of a privately owned reliever airport. Unlike public sponsors, owners of eligible privately owned reliever airports receive current fair market value for land contributed to a project as the sponsor's share. Section 47109(c) provides that a privately owned reliever airport that contributes any lands, easements, or rights-of-way to carry out a project under AIP is permitted to credit the current fair market value of these property interests toward the non-Federal share of allowable project costs. Public sponsors, however, continue to receive credit based on the cost or value at the time of acquisition. The methodology for applying this provision is unchanged from that set forth in paragraphs 353 and 622, except that, for a project at a private reliever airport in which land is contributed in lieu of cash for the local share, the basis for the value of the land must be based on the current fair market value. Such claims of valuation should be supported by recent credible appraisals. Land contributed to a project, whether by a public or private sponsor, is subject to Assurance 31 should the sponsor propose to dispose of the land.

**355. - 399. RESERVED.**



## Chapter 4. PLANNING PROJECTS

### Section 1. PLANNING PROJECT SCOPE AND ELIGIBILITY

#### 400. THE PLANNING PROCESS.

Airport planning should lead to the effective use of airport resources in developing an efficient network of airports for current and forecast needs. The planning process should produce a plan of action to develop airports consistent with local, State, and national goals. The planning process precedes development and will include analysis of the interrelationship of some or all of the project elements described in paragraphs 405 and 406 to achieve plan implementation. To ensure the effective outcome of the planning process, the major airport issues that concern the FAA, the sponsors, airport users, and the community shall be clearly identified prior to the initiation of planning projects.

**a. Airport Planning.** The AIP process focuses on the area-wide system plan and individual airport master plans to accomplish rigorous analysis of proposed development. Airport planning is frequently a complex endeavor that involves a wide array of decision makers at various levels in the public and private sectors.

**b. Problem Solving.** The central concern of airport planning should be the issues identified by government and industry leadership. Each of the AIP planning projects should provide plans or other products linked with existing programs to solve the identified problems or satisfy airport needs. The basis for initiating a planning project should be an assessment that the current airport plan is inadequate. While there are common components to most plans, the scope, scale, timing, analytical techniques, and organization of study participants should relate to the specific set of problems that the study must resolve.

**c. Intergovernmental Coordination.** The planning process should be continuing, cooperative, and comprehensive ("3-C") to the degree appropriate based on the complexity of airport or transportation problems. The "3-C" planning process is also used for surface transportation programs. Plans must be coordinated with state aviation agencies, airport management, FAR Part 107 and 139 inspectors, as well as appropriate technical analysis involving each component of the airport transportation system.

**d. Satellite Navigation.** Problem solving in airport studies should address transition to satellite navigation and be consistent with the current version of the National Airspace System Architecture. Policies, procedures, budgets, authorization and organizational arrangements may be expected to change during the new transition to the global positioning system. Regions must continue planning with these changes and use of applicable current requirements, such as the designation of instrument runways as described in Order 7400.2 on handling airspace matters.

**e. Intermodal Planning.** Intermodal planning activities to achieve the policy of efficiently connecting different forms of transportation are described in 49 USC 47101(g) and the Clean Air Act amendments of 1990. Certain funds administered by the Federal Highway Administration (FHWA) are directed through the metropolitan planning organization (MPO). Airports are encouraged to become involved in MPO system planning. See paragraph 401c. FHWA funded airport access projects should be coordinated by the MPO and listed in its transportation improvement program under 23 CFR 450 to promote a seamless airport intermodal transfer. Airports are encouraged to complete planning projects that are consistent with system forecasts, ground access and air quality studies, comprehensive land use planning, as well as other MPO information, procedures, plans, or policies.

#### 401. ELIGIBLE PLANNING PROJECTS.

Eligible planning projects include integrated system plans for a network of airports within states or metropolitan areas, and master plans for an existing or new individual airport. The elements that are

eligible as part of airport system and master planning projects are described in paragraphs 405 and 406. System and master planning projects may be based on short-, intermediate-, and long-range forecasts of aviation demand, usually 5, 10, and 20 years. This relates the various projects in phased master plans, plan updates, and continuous planning. However, supplemental projects for specific study elements may rely on any of the above forecast periods or may be developed without reference to timing.

**a. General.** No specific amount is set aside for planning, although approximately 2 percent of funds made available annually for airport grants since 1970 have been used for those projects.

**b. State Airport Systems Planning.** An integrated State airport system plan is the representation of aviation facilities required to meet immediate and future needs as well as achieve overall goals of the State. It recommends the general role, location, and characteristics of new airports or the nature of expansion for existing ones. It shows the timing and estimated cost of development, provides a mechanism to prepare ACIP as well as NPIAS data, and can relate to objectives of the State. (NPIAS data includes based aircraft, passengers, service level, annual service volume, development projects, and project costs.) When the State contains areas for which metropolitan airport system plans are to be prepared, it is necessary that they be integral components of the State plan developed in conjunction with State planning. State system plans provide a basis for the preparation of detailed airport master plans. Guidance for the preparation of State airport system plans is contained in Advisory Circular 150/5050-3.

**c. Metropolitan Airport Systems Planning.** A metropolitan airport system plan usually covers one or more metropolitan statistical area defined by the Office of Management and Budget, a State planning region, or other areas. A metropolitan system plan should become a part of a State system plan as indicated in paragraph 401b. Metropolitan agencies may request separate financial assistance from FAA to supplement State planning if airport problems require a higher level of effort in the local area than would be provided as a part of State-wide analysis. Metropolitan areas with a hub airport that annually has 0.25 percent or more of United States enplanements (medium and large hubs) are routinely eligible for system planning grants. Exceptions to this hub airport criterion may be considered on a case-by-case basis and shall be coordinated with APP-400. Guidance for the preparation of metropolitan airport system plans is contained in Advisory Circular 150/5070-5.

**d. Continuous Systems Planning** Routine activities conducted on an ongoing basis, in addition to infrequent major updates, can qualify as system planning. Continuing surveillance and coordination, periodic plan reevaluation, special studies, and interim or formal updates may be included.

**(1) Annual Planning Products.** When continuous planning is approved, it shall be structured to produce specified end products to document the planning process. As a minimum, annual ACIP and NPIAS data will be required. Public participation should be recommended.

**(2) Planning Cycle.** Each system planning project should generally be limited to work which is to be completed within one year. The annual projects are accomplished on a continuing basis with a complete cycle of elements and updates typically requiring three to five years.

**e. Airport Master Planning.** An airport master plan represents the sponsor approved actions to be accomplished for phased development of the airport. It presents the research as well as logic from which the plan evolved and displays the plan in a graphic and written report. Master plans address the modernization or expansion of existing airports and site selection as well as planning for new airport locations. Elements included in master plan projects must be linked to whatever system planning perspective has been established, especially for visible issues such as airport surface access and military base reuse. Master plans should include preparation of ACIP and NPIAS data. Guidance for the preparation of airport master plans is contained in Advisory Circular 150/5070-6.

**(1) Planning Sponsorship.** Airports are normally the sponsors of master planning projects. State or MPO sponsorship of detailed master planning as described in paragraph 405z is an eligible

system plan project subject to written agreements with airport sponsors. The agreements should establish concurrence on the scope of work, responsibilities of the participants, and uses of plans. However, the agreements do not need to be in the form specified in paragraph 209. Master planning for an airport should be limited to work that is not available or current in existing plans.

**(2) Master Planning Updates.** Periodic updates of master plan elements are typically needed on a five-year cycle for active airports, although timing may vary. For airports with relatively stable aeronautical activity, a ten-year cycle may be adequate. However, unusual aeronautical activity changes, and change in design standards, may signal the need for a special planning study in less than five years.

**f. Airport Noise Compatibility Planning.** Noise compatibility planning for an airport generally includes the preparation of noise exposure maps and a noise compatibility program in accordance with FAR Part 150. Airport noise compatibility planning may be accomplished as part of airport master plan projects or as a separate project, although it must consider the master plan. A noise compatibility program needs to be a stand-alone document if submitted to FAA for approval in accordance with Part 150.

#### **402. THE CAPITAL IMPROVEMENT PLAN (CIP).**

A capital improvement program is the compilation of planned projects for the next five years including the priority, costs, and expected funding sources for each project. Capital improvement programming may be accomplished as a part of airport system or master planning projects or in a supplemental project.

**a. Required ACIP Activities.** The sponsor's capital improvement program is used as a basis for the FAA's NPIAS, which in turn is used for the FAA's ACIP. FAA should work closely with sponsors and require ACIP procedures as described within Order 5100.39 to establish an overall financial plan for airports that is realistic. Regions should normally approve any planning project application for capital improvement planning/programming unless the proposed work is ineligible, untimely, or unwarranted (see paragraph 428f).

**b. Justified Airport Development.** The NPIAS contains the airports eligible to receive Federal funds and identifies the warranted facility requirements for a ten-year period. The sponsor's capital improvement program should focus on identifying funding sources for all types of airport requirements rather than relying exclusively on the AIP. The ACIP should selectively include the work forecast to be justified over a five-year period (see paragraph 428a). Projects that are ineligible or insufficiently justified by local demand and forecasts should not be included in the ACIP. Since airport development project approval is dependent upon established aeronautical demand, planning projects should clarify timing and sizing of facilities so sponsors understand when AIP funding may be justified. The FAA should normally request business planners for airport tenants to provide written input at the planning stage to identify their requirements rather than simply using the sponsor's interpretation of them.

#### **403. PLANNING WORK SCOPE REQUIREMENTS.**

No airport planning project activity shall be approved unless it meets the following requirements, which ensure each product will be appropriate for FAA approval actions described in paragraph 428.

**a. Study Design and Structure.** The structure and work scope of a planning study should be tailored according to the individual requirements for the airport or system of airports being studied. For most simple projects, this involves identification of issues and selection of appropriate work elements relying heavily on paragraphs 405 and 406. FAA should concur on the proposed cost of the study design prior to preparation of the study design.

**(1) Complex Projects.** A more extensive study design is recommended in complex projects to specifically identify project goals, the level of effort for each activity, the relation to risk assessment

policy, and participants based on the community decision-making structure. The study design and goal setting should normally be accomplished by a combined consultant-sponsor effort.

**(2) Selection of Work Elements and Activities.** paragraphs 405 and 406 describe the elements that should be considered for a study. The enumerated elements generally involve sub-elements or activities. However, the work scope need not include all the elements listed, or the elements may be very abbreviated. (For example, rather than develop new forecasts or capacity analyses in a master plan for a small airport, it may be desirable to obtain these from system planning and other current sources. Consequently, the work scope would not contain a detailed forecast or capacity element.) Each item in the work scope should contribute to defining and resolving specific problems. Items in the planning advisory circulars that are not relevant to a study should be omitted. Elements not listed in paragraphs 405 and 406 are ineligible unless approved by APP-510.

**(3) Supplemental Projects.** Study elements (such as an ACIP or noise compatibility plan) may be funded as supplemental projects if they are required to satisfy a specific airport need. Supplemental projects shall be designed to supplement a basic system or master plan that FAA has determined to be current in other respects.

**(4) Relation to Airport Development.** The results of system and master planning should directly affect the recommendations and decision-making in establishing or revising the planned airport role or development. Tasks required only for the sponsor's administrative, management, or operational purposes are ineligible.

**b. Planning Phases and Products.** The work scope for system and master planning projects must show that complete, cohesive, as well as usable plans or other products will be produced. The form of the products expected must be well-defined, e.g. technical analysis, drawings, reports, or approval by appropriate agencies.

**(1) Project Phasing.** A project should normally be separated into several phases if it involves uncommitted airline service, site selection, risk assessments, intensive environmental assessment, system plans, or unusual resources. Each phase may be a separate grant. This will facilitate review of plans or elements, such as site selection studies and environmental assessments, to ensure progress is made before new funds are committed. Generally, no more than three planning projects under the same sponsorship for a location or area should be open at one time. When multiple projects are undertaken, each shall specifically recognize the relationship between products of previous and ongoing studies so they can be clearly separated in the grant agreements.

**(2) Approval at Key Points.** Tentative approval of products by the sponsor and FAA may be required by the region at key decision points before proceeding with a study. Changes in the structure of the study may be required. FAA review should ensure that products in the study will be usable, timely, and complete.

**c. Force Account Work.** Force account may be requested for some work to establish and maintain a local or State aviation planning capability. If force account is proposed, there should be a clear understanding with the sponsor prior to the grant that FAA will fund only work associated with planning for airport development. The scope of planning shall be consistent with guidelines described in paragraph 310c on administrative costs.

**d. Coordination and Jurisdiction.** The sponsor should coordinate the draft work scope with FAA and other interested parties to establish the availability of existing data or to delete activities better accomplished by other agencies. This will help ensure the products are mutually useful for each local, MPO, State, or Federal program and that airport development funding sources are identified. The work scope for planning by more than one agency for the same airport/area needs special coordination during study design. This may occur whenever State and metropolitan system plan projects coexist, and when sponsors propose transportation or land use planning outside the airport boundaries. Planning grants are frequently the first AIP projects approved for a sponsor. Therefore, the FAA review should determine

that the proposed sponsor has appropriate jurisdiction to carry out or influence the planning recommendations and is capable of implementing the plan (see paragraph 201).

**e. Study Area.** The basic organization, work scope, and approach of system or master planning shall focus on a study area that will be useful in solving airport problems. (For instance, planning a new airport in a metropolitan area may involve geographic areas beyond the jurisdiction of any single governmental entity.) Cooperation in the form of interagency agreements with adjacent local jurisdictions and/or States should be required by the FAA whenever airport site requirements go beyond the sponsor's jurisdiction. When specific study areas are unknown, the sponsor should establish a policy for achieving coordination with other jurisdictions.

**f. Action Plan.** The work scope should include an action-oriented plan and/or program that will lead to implementation where the FAA and sponsor agree such a plan would be beneficial in carrying out recommendations. The action plan should identify activities and responsibilities at a level of detail appropriate to the nature and timing of the recommendations. (For example, an action plan should always be included with pavement management studies.)

**g. NPIAS Airports.** For master plan projects, an airport must be included in the National Plan of Integrated Airport Systems. However, alternative site evaluations for replacement or supplemental airports may be funded without a new airport being added to the NPIAS pending a determination that the new location is justified and/or feasible. For system plan projects, non-NPIAS airports may be included where the cost of a work activity is nominal, e.g. general inventories, forecasting, or facility requirements. System planning activities involving significant cost, such as pavement or obstruction surveys, are ineligible at airports not in the NPIAS.

**h. Standards and Priorities.** Measures of airport standards, activity, condition, and performance, or indicators for goal achievement, should be evaluated to ensure safe and efficient operations, add capacity, and minimize environmental impact. The national priority system described in section 3, Chapter 3, or the procedures and criteria in it, should be the basis for evaluating airport development projects. State standards and priorities, which have received endorsement by the FAA, may be included within a work scope. Standards or priority systems other than those approved by the FAA may also be identified within the work scope. Use of several sets of standards and priorities in a planning project may be necessary in such cases to evaluate the plans.

**i. Military Base Closures.** Work scopes must include consideration of former military bases where that may be appropriate. Former military airfields that may not appear to have immediate aeronautical use should be considered under State or metropolitan system planning effort to determine alternative uses.

#### **404. ELIGIBLE STUDY ELEMENTS AND ACTIVITIES.**

Although many system and master planning elements are similar in name, they differ in scope or detail. System planning is area-wide in nature and intended to set the framework for master plans. Master planning elements contain far greater detail than system plans and serve as the basis for design as well as engineering (see Chapter 9). Planning to meet requirements for airport development may be a project formulation cost. Except for study design or FAA-approved noise compatibility programs, the cost of work performed on planning projects will not be allowed unless incurred after the date of the grant agreement.

#### **405. SYSTEM PLANNING ELEMENTS.**

A basic airport system plan normally includes items described in paragraphs 405a through 405q, and special studies may cover the remaining elements as needed. However, projects should include only those of the following elements or activities required to produce a plan that meets the sponsor's needs:

- a.** Study designs to identify the framework, parties involved, organizational arrangements, major airport problems to be resolved, specific objectives, scope of work, time schedules, and cost breakdowns for projects;
- b.** General site inspections, inventories, and surveys, including goals, airports, user preferences, and secondary socioeconomic data. This is limited to collection of data to be used for analysis in planning projects;
- c.** Forecasting for justification of proposed airport development in terms of existing or forecast aviation activity levels and aircraft mix. Forecasting is limited to simple methods and assumptions that establish the components or dynamics of demand for aircraft operations, based aircraft, passengers, cargo, and/or ground access. A high and low range of forecasts in addition to the preferred forecast is eligible to identify consequences of uncertainties such as decisions on economic developments or new airline service. Application of complex statistical forecasting techniques or market research is eligible only to the extent that costs do not exceed those of simple methods above (see paragraph 428a);
- d.** Capacity analysis of airport systems based on airfield, terminal area, and surface access to provide for determination of capacity values, identify causes of delay, analyze alternatives, or develop input to a capacity enhancement plan;
- e.** Capacity analysis of airspace based on air navigation aids, communication facilities and natural or man-made obstructions that affect the use of airspace. This is limited to that needed to support airport system development. Contact the Air Traffic Division and ASC-1 for assistance on airspace policy, airport capacity task forces, or en-route issues;
- f.** Facility requirements determination including analysis of the suitability, expansion possibilities, and safety deficiencies of existing airports; the general location and need for land bank programs or new airports; and analysis of the compatibility of airports with surface access plans and comprehensive planning. This includes evaluation of satellite navigation opportunities, airport or terminal navigation aids, and airport traffic control facilities;
- g.** Analysis of a reasonable number of alternative airport systems including feasibility and sensitivity analysis, contingency plans, as well as evaluation of safety, efficiency, environmental impacts, energy considerations, or cost;
- h.** Preparation and adoption by the sponsor of the airport system plan for each planning period including airport role assignment, design type, major facilities, and cost estimates;
- i.** General land use, noise, air quality, and other environmental studies to consider the impact of airport development on the environment and the protection of airports from neighboring areas. This is limited to work for area-wide application or specific classes of airports, except in site selection or master plan studies;
- j.** Schedules of plan implementation describing the staging of airport land acquisition and development based on aviation demand forecasts;
- k.** Projection of funding required from public agencies as well as the financial community or other private sources to implement the plan and revenue generated from improvements. This includes a financial plan linking AIP, Passenger Facility Charge program, Facilities and Equipment program, contract airport traffic control tower program, or other such Federal, State, local, and private sector funding;
- l.** Capital improvement programs (see paragraphs 402 and 428f);
- m.** Preparation of NPIAS documentation for airports meeting entry criteria (see paragraph 428f);

n. For areas with a hub airport that has 0.25 percent of enplanements (medium and large hubs), regular meetings of local, MPO, and State agencies, sponsors and other participants. The meetings may be required to discuss capacity problems and the progress of planning or other actions. This is appropriate only when local, MPO, and State agencies agree to participate;

o. Study coordination and reports. For small hub or smaller areas, a limited number of meetings will be allowed for a single advisory committee to exchange information or negotiate between elected decision makers, other officials, and/or representative technical advisors. Public hearings and involvement sessions are eligible as is the printing of a reasonable number of reports and graphics. The number of copies of technical documents should be limited through wide distribution of summary reports. Videotape or similar audio/visual presentations are eligible only to the extent they are used to replace or supplement printed material that would have been prepared in conjunction with public information briefings, executive summaries, or similar briefing activities of the study (see paragraph 412d(3)(b));

p. Continuous planning activities that relate to elements of ongoing or existing system plans (see paragraph 401d);

q. Action plans (see paragraph 403f);

r. Airport surface access programs and plans that indicate the proposed routing to central business districts or arteries. The work should be based on other airport access studies that take into account traffic demand, existing and potential access problems, surface transportation facilities, heliports, and remote terminal facilities. Airport coordination and the analysis of procedures for transfer of passengers or baggage to bus, van, taxicab, rental car, automobile parking as well as innovative access facilities are eligible. Proposals for surface origin-destination surveys, corridor studies, ground traffic management, and similar work not directly related to airport coordination or intermodal transfer facilities should be forwarded to APP-510 (see paragraph 400e).

s. Preparation of State standards for development at nonprimary airports. This is limited to State system plan projects;

t. Site selection and feasibility studies of the general area (excluding the specific airport configuration) for new, replacement, supplemental, or joint-use airports. This is limited to cases where existing public airport sponsors agree to participate or an area-wide agency is required or authorized by State or local law to do the planning (see paragraph 428b);

u. Acquisition, licensing, and use of commercially available computer software including simulation models and other applications dedicated to the study when warranted to accomplish an approved planning purpose. (For instance, an information management system may be eligible if directly related to eligible airport planning elements.) Customizing of commercially available software is eligible. Software development, including customizing, paid for, in part, with grant funds shall be in the public domain and shall be made available to any user without cost beyond handling costs. Computer software development and automated data processing should not be approved unless shown to be necessary and to be the least cost method. The purchase of computer equipment is not eligible for planning projects, nor is the cost of ongoing computer operations or software for general clerical, administrative, or airport management purposes;

v. Economic studies to measure the impact of airport activity and benefit of interrelated developments in the network of airports. This is limited to methods such as those developed by the FAA. Contact APP-400 for assistance on economic study methods. Video presentations or printed material on the economic impact of airports, which are basically competitive marketing material for a sponsor, are not eligible unless it is necessary for the decision process. Vertiport studies for tilt-rotor aircraft are eligible pending development of the technology. However, vertiport applications other than a nominal part of another planning project should be forwarded to APP-510;

w. Identification of appropriate airport sponsorship arrangements such as for a new airport, airports that have inappropriate ownership, or where interagency agreements are needed;

x. Policy analysis for specific airport development proposals, such as that for State aviation taxes or land use. This must be coordinated with APP-510;

y. Establishing performance indicators or priority systems for pavement management and capital improvement programs; and

z. Participating in or conducting master plan projects at airports provided the airport sponsors agree in writing to the scope of work (see paragraph 401e). This includes any of the elements and activities described in paragraph 406 or the review of airport sponsor master plans to ensure system requirements have been met.

#### **406. MASTER PLANNING ELEMENTS.**

A basic airport master plan normally includes items described in paragraphs 406a through 406p, and special studies may cover the remaining elements as needed. However, projects should include only those of the following elements or activities required to produce a plan that meets the sponsor's needs:

a. Study designs as described in paragraph 405a;

b. Site inspections, inventories, and surveys including goals, policies, historic information, user preferences, meteorological data, obstructions, environmentally sensitive features, or information on area-wide planning. This is limited to collection of data to be used for analysis in planning projects;

c. Forecasting as described in paragraph 405c;

d. Demand/capacity analysis for airspace, airfield use, terminal area, airway facilities, and surface access facilities to provide for determination of capacity values, identify causes of airport delay, analyze alternatives, or develop a capacity enhancement plan. Contact the Air Traffic Division and ASC-1 for assistance on airspace policy or airport capacity task forces;

e. Facility requirements determination to establish a list of needs for the size and number of runways, taxiways, gates, aprons, lights, terminal buildings, cargo buildings, utilities, airport traffic control facilities, navigation aids, parking spaces, airport surface access, and other eligible development. Airport surface movement guidance and control system plans are eligible;

f. Analysis of a reasonable number of airport development alternatives including feasibility and sensitivity analysis, contingency plans, and evaluation of safety, security, efficiency, public protection, environmental impacts, modification of standards, cost of the alternate airport designs, and energy considerations;

g. Preparation and adoption by the sponsor of airport role assignment as well as layout plans. These should establish dimensioned layouts for existing and future runways, safety areas, taxiways, aprons, terminal building areas, roads, utilities, fences, property and relocation of persons, airport airspace, runway protection zones, air navigation facilities, and non-aeronautical use areas (see paragraph 428d);

h. Noise contours for existing conditions and reasonable forecast periods (see paragraph 428e and 713);

i. Land use plans or reuse studies for areas within the boundaries of the airport and for areas outside the boundaries that are environmentally impacted by airport operations. Participation in commercial or industrial park studies is normally limited to delineating and inventorying areas available on the airport for non-aeronautical use. However, urban land use studies of areas acquired for noise

compatibility are eligible (see paragraph 715c). Studies of compatible land use zoning or other similar controls are also eligible for the entire airport site, the impacted airport vicinity, and terminal airspace. Aerial photography for land use studies is eligible only if the information is not otherwise available in an adequate form;

j. Schedules of plan implementation as described in paragraph 405j;

k. Estimates of development cost proposed in the master plan;

l. Preparation of financial statements or business plans for the long-term development and operation of the airport. This includes financial plans for airport operational revenue, general obligation bonds, revenue bonds, taxation, government assistance (such as the AIP, PFC, F&E, or the contract airport traffic control tower programs), other donations, and realistic combinations thereof. The preparation of a disadvantaged business enterprise plan under 49 CFR 26 is eligible;

m. Capital improvement programs and preparation of NPIAS documentation for the airport (see paragraphs 402 and 428f);

n. Regular meetings as described in paragraph 405n;

o. Study coordination and reports as described in paragraph 405m;

p. Action plans (see paragraph 403f);

q. Former military airfield concept studies. AIP planning projects may be used to initiate cooperative planning on joint use airports, surplus Federal property, and restricted airspace. Proposals for the conversion of former military airfields, or dual use of such current airports, should be coordinated early during the discussion stages with APP-420. Orders 5150.2 and 5170.1 describe U.S. Government surplus property for public airport purposes or the transfer of other Federal lands.

r. Site selection studies for new airport locations including the study of airspace, environmental factors, community growth, surface access, availability of utilities, land appraisals, and development considerations that affect site costs (see paragraph 428b);

s. Environmental assessment for consideration of the effects of proposed airport development in order to provide a basis for the preparation of environmental impact statements or findings of no significant impact (see paragraph 428c). The assessment may identify environmental consequences of ultimate airport development, mitigation policies, categorically excluded projects, and permits required. Ecological studies and wildlife hazard management plans required under FAR Part 139 are eligible whenever airport development actions may result. Cultural resources surveys, required to meet archeological, historical, architectural and similar requirements are eligible. Air or water quality planning for sponsor compliance with the Clean Air Act of 1970, as amended, and Federal Water Pollution Control Act of 1972 (FWPCA), as amended, are also eligible. This includes preparation of the water quality permit applications required under the FWPCA, hydraulic modeling, facility design, and water quality studies, testing, or inspection related to pollution prevention plans. Air quality studies or plans must be coordinated with the MPO and APP-600. (See paragraph 400e.);

t. Terminal area plans for the overall terminal complex and for components within that complex such as terminal building, cargo building, gates, hangars, shops, service roads, service buildings, motels, aircraft rescue and fire fighting buildings, automobile parking, entrance roads, and intermodal connections. The plans are limited to conceptual analysis and drawings that include dimensioning of overall plans, building restriction lines, height limitations, shadow studies, and schematic drawings of profiles necessary to picture concepts and ensure that safety and operational factors are considered. However, the review of individual lease arrangements within the terminal or building areas from the standpoint of grant assurances and airline competition is eligible. Preparation of an airport security program under FAR Part 107 is eligible;

u. Airport surface access plans that indicate the proposed routing to central business districts and to existing or planned arteries. The plan should be based on other airport access studies that take into account traffic demand, existing and potential access problems, surface transportation facilities, heliports, and central business district terminal facilities. MPO coordination and analysis of procedures for transfer of airport passengers or baggage to pedestrian, bicycle, rail, bus, van, taxicab, rental car, as well as parking facilities are eligible. Proposed surface origin-destination surveys, corridor studies, ground traffic management, and similar work not directly related to coordination with the MPO or multimodal facilities should be forwarded to APP-510 (see paragraph 400e). Orders 1110.86 and 5000.3 describe intermodal transportation planning and coordination with the Federal Highway Administration. Preparation of airport emergency response studies to provide analysis of airport facility requirements (roads, safety area grading, or other access issues) for aircraft rescue and fire fighting vehicles is eligible;

v. Computer applications as described in paragraph 405u;

w. Pavement management programs to evaluate pavements and establish annual priorities (see paragraph 306);

x. Preliminary feasibility studies for the designation of instrument runways (see Order 7400.2 on procedures for handling airspace matters) and establishment of navigation aids. This includes evaluation of satellite navigation opportunities and preparation of preliminary instrument approach procedures directly related to airport development that is shown on the airport layout plan. Field surveys, e.g. determination of runway coordinates and elevation, are eligible if they have not been scheduled to be completed by the FAA. Contact APP-510 for a current schedule of FAA surveys. A flight check of a preliminary approach procedure to a non-Federal navigation aid is eligible under a reimbursable agreement with the Flight Procedures Office. Re-testing is not allowable in the event that the system fails the flight check or alternate procedures need to be considered;

y. Airport noise compatibility planning involved in developing noise exposure maps and a noise compatibility program. These activities are described in FAR Part 150 (see paragraph 428e). Planning for noise demonstration programs is not eligible as a master plan project. Contact APP-600 for assistance on noise policy, Part 150 planning, and Part 161 studies; and

z. Economic analysis to measure the impact of airport activity and benefit or present worth of airport investments. This is limited to methods such as those developed by the FAA. Contact APP-400 for assistance on economic study methods. The evaluation of risk associated with airport plans and economic decision analysis for alternatives is eligible. Benefit-cost analysis (BCA) is eligible when it is appropriate to conduct these studies. Guidance on how to perform a BCA will be contained in a forthcoming Federal Register Notice (see paragraph 428f). Operational studies or planning, such as a certification manual or emergency plan update, are ineligible unless required under FAR Part 139 and airport development actions may result. Use of a formal value engineering task team is ineligible except on major new airports or for unusually complex projects of greater than average costs (see paragraph 909). Sophisticated video presentations or printed material on economic impact of an airport, which are basically competitive marketing material for a sponsor, are not eligible unless needed for the decision process. Operations research is not eligible.

**407. - 409. RESERVED.**

## **Section 2. PLANNING PROJECT APPLICATION**

### **410. GENERAL.**

The application process for planning projects includes an optional conference between the sponsor and the FAA, preparation and review of the application, and issuance of a grant offer by the FAA. Sponsors may use Standard Form 424 or any written format they choose for information to be provided in applications. A planning project request may be included with a sponsor's pre-application for other

development. However, the sponsor normally will submit a separate application. A draft scope of work and breakdown of project costs may be required.

#### **411. PRE-PLANNING CONFERENCE.**

Depending on project complexity, an airport inspection and conference to discuss the study can be arranged between the sponsor, State, MPO, consultant, and FAA before final preparation of the application. The conference may be used to discuss and/or negotiate the following and facilitate decision making before starting work on the project:

- a. For first time sponsors, the grant assurances and procedures for airport development;
- b. Specific objectives, such as navigable airspace or airport design issues;
- c. Relationship of the project to local, MPO, State, and national airport planning and development issues;
- d. Planning process and organizational arrangements;
- e. Intergovernmental project review (see paragraph 906);
- f. Civil rights requirements (see Advisory Circular 150/5100-15);
- g. Scope of work, FAA expectations, and time schedules;
- h. Project costs and eligibility;
- i. Force account work; and
- j. Special grant conditions and compliance with grant assurances.

#### **412. PREPARATION OF APPLICATION.**

The sponsor may elect to submit selected information within Standard Form 424 and FAA Form 5100-101, Parts II, III and IV, contained in appendix 5. The information is to be completed in accordance with instructions on the back of the forms. For sponsors not using the Standard Form 424, comparable information to that described in this paragraph must be provided.

**a. Standard Form 424 Application for Federal Assistance.** This form and/or appropriate agreements should be completed and duly signed by each sponsor (see paragraphs 202, 203, and 209).

**b. FAA Form 5100-101, Project Approval Information (Part II).** Only items 4 and 5 need be completed. The "yes" will be marked within item 4 when requested assistance requires approval under State or local laws authorizing a public or planning agency to act as agent for sponsors. The terms and conditions of the agency's authority to act for the sponsor should be submitted as an attachment together with any endorsement required.

**c. FAA Form 5100-101, Budget Information (Part III).** This part requires budget information, and particular attention should be directed to the sections of the form below.

**(1) Section B, Budget Categories.** The total cost of consultant contracts should be aggregated and listed in line f of section B.

**(2) Section F, Other Budget Information.** Section F is to be an attachment and should include a separate breakdown for costs by the specific elements and work activities in the study. This breakdown should be prepared on an employee-hour and a cost per employee-hour basis, taking into account categories of employment to be used for each element or activity. Force account and work that

will be accomplished under third-party contracts between the sponsor and consultants should be listed separately in the breakdown. Direct expenses, such as travel, should also be related to particular elements or activities in section F.

**d. FAA Form 5100-101, Program Narrative (Part IV).** A program narrative that outlines the study structure is to be submitted as an enclosure and should contain the items below.

**(1) Objectives.** This is an itemized list of the major problems, issues, and objectives in applying for the grant.

**(2) Benefits Anticipated.** A statement of benefits anticipated from the planning effort should include a summary of significant areas to be addressed and previous planning used and updated as a result of the new effort.

**(3) Approach to the Planning.** This item should include detailed information for each element or work activity to be performed in the planning project.

**(a) Scope of Work.** The proposed scope of work should reflect the study elements identified in the system or master planning advisory circulars.

**(b) Study Coordination.** Study coordination with the public, community organizations, airport sponsors, users, the financial community, local and State agencies, Federal program offices, and other interested parties is very important. The work program should include coordination of draft work products with participants, and interim reports should be required upon completion of each major phase or element during the study. Names and affiliations of proposed advisory committee members should also be identified in the work program. (For instance, the sponsor shall coordinate with the Air Transport Association (ATA) and/or Regional Airline Association (RAA) in airport system and master planning at airports that have ATA/RAA member carriers. The sponsor should contact the ATA and/or RAA, which in turn may designate an industry representative to provide liaison during conduct of the study.)

**(c) Organizational Responsibilities.** This item should contain a list of organizations, consultants, and key personnel anticipated to work on the project and their respective responsibilities. If the consultant has already been selected, a statement of the firm's experience and qualifications of key personnel should be included.

**(d) Schedule for Accomplishment.** The time schedule proposed for each element should be included.

**(4) Geographical Location.** A brief delineation is to be provided of the area served by the airport. For a system plan project, the boundaries of the planning area should be identified.

**(5) Force Account.** If the sponsor proposes to accomplish the project with its own forces or those of another public or planning agency, this fact shall be so stated in the application. The qualifications of key personnel shall be included and costs for force account as well as related overhead should be identified.

**(6) Sponsor's Representative.** This item should identify the name, title, address, and telephone number of the person representing the sponsor in the planning study.

**e. Sponsor Assurances.** The appropriate set of grant assurances shall be attached to the application (see appendix 1). The airport sponsor assurances are used for master planning projects. Use of planning agency sponsor assurances is limited to system planning projects.

#### **413. REVIEW AND APPROVAL OF APPLICATION.**

The responsibility for review and initiating the approval or disapproval of the planning grant

application rests with the region. The sponsor's consultant contract should be reviewed and approved, if appropriate, at this time (see paragraph 422). Sponsor use of force account should also be approved, if appropriate, based on the information made available as described in paragraph 412d.

**a. Review of Application.** FAA personnel should ensure the application is complete and a project evaluation report shall be prepared (see paragraph 921). FAA review should determine whether the project was adequately structured, elements are eligible, and the work scope is sound as well as commensurate with costs. The proposed time schedule shall be reviewed to ensure it is realistic; and the review should identify special conditions, if required, for the grant agreement based on project issues.

**b. Revision of Application.** If the FAA determines that the application needs revision, the sponsor should be advised of required corrective actions.

**c. Project Approval.** The region is responsible for approving planning project applications. See Chapter 10. Upon notice of regional approval, APP-500 will coordinate with the Office of the Secretary and inform the region upon completion of Congressional notification. The grant offer to the sponsor may be issued after this notification. Each project file will contain the following or equivalent documents:

- (1) Airport Improvement Program Action, FAA Form 5100-107 (see Appendix 10);
- (2) Project Evaluation Report and Development Analysis, FAA Form 5100-26 and
- (3) Application for Federal Assistance, Standard Form 424, as well as FAA Form 5100-101 (see Appendix 5).

**d. Disapproval of Application.** If the FAA determines that the application should be disapproved, it shall be returned to the sponsor along with an explanation of the disapproval. Contact APP-510 for assistance with disapproval of applications.

**414. - 419. RESERVED.**

### **Section 3. PLANNING PROJECT ACCOMPLISHMENT**

#### **420. CONSULTANT CONTRACTS.**

The firm fixed price contract is the preferable method for contracting with consultants. Other contractual methods, such as a cost-plus-a-fixed-fee contract, may be used but should be discouraged unless there are substantial reasons for their use. Any of these methods shall be carried out in accordance with the procedures in Chapter 8 of this order, 49 CFR 18.36, and Advisory Circular 5100-14.

#### **421. FAA ROLE IN CONSULTANT SELECTION.**

Since some sponsors are unfamiliar with consulting firms that have capability in aviation planning, they may seek the advice of FAA personnel. The role of FAA personnel in this respect is:

- a.** Aid the sponsor in developing the general scope of services, division of responsibilities, and guidance on expected costs as outlined in Advisory Circular 150/5100-14;
- b.** For planning to be accomplished in stages, ensure the initial advertisement includes subsequent projects that are expected within five years, if desired;
- c.** Depending on the size of the project, advise the sponsor to avoid over-solicitation and to use the competitive procurement process for contracts over \$100,000 as outlined in Chapter 8;
- d.** If appropriate, suggest that the sponsor establish a consultant selection panel to interview the consultants and/or evaluate their qualifications or proposals (the FAA will not recommend consultants or

participate in the interview and decision, although records of the consultant selection process may be requested by the FAA);

**e.** Advise the sponsor that the FAA reserves the right to disapprove employment of consultants and subcontractors or the scope and cost of professional services (see paragraphs 310d(2) and 1518); and

**f.** For planning projects, regions should forward a copy of formal complaints about the consultant selection process described in Advisory Circular 150/5100-14 to AAS-200.

#### **422. CONTRACT REVIEW AND APPROVAL.**

FAA offices administering planning projects may require sponsors to submit proposed consultant contracts for approval as necessary to carry out the FAA's responsibilities described in paragraph 421.

#### **423. PROCUREMENT DEFICIENCIES.**

Sponsors may use their own procurement regulations reflecting applicable State and local law, rules, and regulations provided they also meet the requirements of 49 CFR 18. If, at any time, the FAA becomes aware of deficiencies based on these requirements (as a result of contract reviews, audits, or special reviews), the sponsor shall be notified in writing and changes needed to achieve compliance should be specified.

#### **424. PURCHASE OF EQUIPMENT.**

The purchase of recording anemometers, activity counters, noise monitors, computers, or other equipment shall not generally be included in a planning grant. However, under certain circumstances, specialized equipment that is not a permanent installation may be approved. See paragraphs 307, 561, 713, and 800.

#### **425. PROJECT MONITORING, COORDINATION, AND REPORTS.**

FAA should maintain ongoing involvement with the sponsor during accomplishment of the study and ensure each activity will lead to plans that can be approved or actions specified in the work scope. Responsibilities of the sponsor and FAA may need to be shared during project monitoring as well as coordination activities to a substantial degree.

**a. Sponsor Responsibility.** The sponsor has the responsibility for continuous monitoring of the project. The sponsor shall ensure the time schedules are being met, work activities and coordination are accomplished satisfactorily, expenditures are reasonable as well as justified, and other performance goals are achieved.

**(1) Interim Project Reports.** Interim project reports or products identified in the scope of work should be sent to the FAA, State, MPO, and other study participants for review.

**(2) Quarterly Performance Reports.** The sponsor may be required to provide quarterly performance reports for the FAA as described in paragraph 1220c.

**b. FAA Responsibility.** The FAA should review sponsor performance and project reports to ensure that activities or elements of work contained in the grant agreement are treated adequately. FAA involvement in key planning meetings is necessary to provide national perspective for decision-makers, facilitate clear communication of agency requirements, and avoid unrealistic expectations.

**(1) Coordination.** The FAA should ensure that the sponsor and its consultant adequately coordinate the study as described in paragraph 412d. The scope of work and products of the study should be coordinated with the FAA regional divisions by the field office as appropriate. Order 1110.117 describes regional committees and inter-division working group arrangements.

**(2) Reporting Requirements.** The FAA should inform the sponsor about reporting requirements including any that are beyond those identified in the work scope and the type of information needed.

**(3) Plan Review.** On initial completion of project elements, the sponsor will submit copies of the planning reports and graphics in draft to the FAA for review and coordination. To avoid unreasonably delaying the sponsor and consultant during the project, the FAA site inspections and review of reports should be completed expeditiously on a schedule satisfactory to all concerned. Sponsors should be held accountable for each draft product identified in the scope of work. Sponsors shall be provided an explanation in writing of deficiencies in the project, preferably at one time during the review of each draft product. For instance, regions should notify the sponsor when letters from airport users are needed to justify an airport development project.

**(4) Disclaimer Statement.** The consultant, or sponsor in the case of force account work, shall be notified to include a disclaimer and the project number within the front pages of each report. The following statement shall be used:

"The preparation of this document may have been supported, in part, through the Airport Improvement Program financial assistance from the Federal Aviation Administration (Project Number \_\_\_\_ ) as provided under Title 49, United States Code, section 47104. The contents do not necessarily reflect the official views or policy of the FAA. Acceptance of this report by the FAA does not in any way constitute a commitment on the part of the United States to participate in any development depicted therein nor does it indicate that the proposed development is environmentally acceptable in accordance with appropriate public laws."

#### **426. SUSPENSION AND TERMINATION.**

See section 5, Chapter 11, for suspension and termination of grants.

#### **427. FINAL PLANNING REPORTS.**

The sponsor's final planning reports or other products shall be reviewed and coordinated within FAA as necessary to ensure previous comments have been addressed adequately.

**a. Completion of Project Elements.** On completion of a planning project, phase, or element, the sponsor will submit copies of the final reports and graphics to the FAA. Sponsors should be held accountable for each final product identified in the scope of work.

**b. FAA Distribution of Plans.** Each completed product shall be distributed within FAA for use as appropriate. In addition, a copy of final summary documents for system plan projects and final master planning reports with the ALP for hub airports that have 0.25 percent of enplanements (medium and large hubs) shall be transmitted to APP-400.

**c. Incomplete Planning.** Sponsors should be notified of incomplete planning in the project at the time of FAA approval actions described in paragraph 428.

#### **428. FAA APPROVAL ACTIONS.**

FAA approval of project elements is an opportunity to properly establish the national implications of State, MPO, and local airport decisions. The FAA should limit its formal approvals to elements of a study that may require FAA action. FAA review and approval of sponsor submissions should consider whether the report content and format are adequate. Sponsor and FAA approvals may be required by the field office at key decision points during the planning process to facilitate plan implementation.

**a. Aviation Forecasting.** Sponsor-approved aviation forecasts establish the justification for approval of the airport layout plan and development projects. FAA should review sponsor forecasts to ensure they are realistic and provide an adequate justification for the airport planning and development.

The study should include data supporting the forecasts, including information that can be used as a basis to update the Terminal Area Forecast (TAF). When the forecast is different from the TAF (differences of 10 percent and more, or any difference that affects timing and/or cost of development in the NPIAS/ALP) differences must be resolved with APO-110 and/or the sponsor. If the variance does not result in such change, then the FAA may accept the forecast without further coordination.

**(1) Required Documentation.** Legitimate policy differences exist between local, MPO, State, and national or private organizations that will result in different aviation forecasts. To resolve a significant difference, planning forecasts should be forwarded to APO-110 for review. Resolution of the differences may result in changes in the TAF, the planning study, or both. Letters of support should be requested from airport users whenever a proposal is beyond that justified by a lease or commitment to use the project. Users should be asked to describe their plans and the anticipated activity by a critical aircraft. The critical design aircraft is that aircraft that uses (or is highly likely to use) the airport on a regular basis. A regular basis is at least 500 annual itinerant operations. A critical aircraft is defined by its approach speed, wingspan and weight (see Chapter 1, AC 150/5300-13). In the absence of appropriate documentation, sponsors should be notified about the forecast differences and required information on a project to receive FAA endorsement.

**(2) Endorsement of Forecasts.** Forecasts adopted by a sponsor should receive some form of FAA concurrence or non-concurrence before subsequent elements of the study are initiated to facilitate the follow-on planning work (see paragraph 403b). The degree of FAA endorsement of project justification will determine NPIAS entry, changes in airport role, approval of development on the ALP, and selection of work included in the current year ACIP. The activity levels used for accepting the NPIAS roles apply to forecast endorsement, and Order 5090.3 describes procedures for field formulation of the NPIAS. If appropriate coordination of forecasts is not completed, the inaction may cause problems with later airport development projects. The lack of FAA acceptance of forecasts may delay any further planning or capital improvements depending on them.

**b. Site Selection.** Planning projects that include site selection as an element in a full master plan study normally require a tentative approval of the site before proceeding with subsequent elements.

**(1) Site Approval Process.** Site approval should be made by the sponsor and FAA after considering the airspace determination, field inspection, site utility, preliminary environmental findings, public testimony, and other pertinent factors (see paragraph 403b). Completion of the tentative FAA site approval process is necessary before permitting the sponsor to proceed with subsequent AIP funded master planning. It may also be appropriate to use multi-grant procedures, such as focusing on aeronautical aspects initially and completing detailed environmental assessment when alternatives have been narrowed. Once a tentative or final site approval is made, the sponsor should be notified in writing. If approval is conditional for environmental or other reasons, this fact should be clearly stated.

**(2) Prior Federal Involvement.** Many airport sites are identified within the NPIAS and other FAA documents as "new" locations because the approval has not been made. However, site approval may be determined to be unnecessary for sites with substantial federally approved development or prior involvement. For instance, a former military airport would need a base conversion study rather than the sponsor's site approval process.

**c. Environmental Assessment.** An environmental assessment (EA) is normally prepared for proposed airport development when it appears likely that a project requiring the EA will occur within five years. When such a report is submitted as part of a planning project, it should be completed and processed in accordance with Orders 1050.1 and 5050.4 on policies as well as procedures for considering environmental impacts. The FAA may elect to delay processing the EA for good cause. In such a case, the sponsor should be informed of reasons for the delay. Reevaluation of the EA is necessary in accordance with the time limitations prescribed in Order 1050.1.

**d. Airport Layout Plan.** A current ALP that has sponsor and FAA approval from the standpoint of the safety, utility, and efficiency of the airport is required by 49 USC 47107(a)(16). ALP's are the key

documents for coordinating between off-airport parties, private users, the financial community, airports, local or State agencies, and Federal program offices. The ALP is needed by many areas of FAA including Flight Procedures, Airway Facilities, Air Traffic, Logistics, and Civil Aviation Security. The Airports Division is responsible for inter-division coordination of airport layout planning. Adequate review and coordination of airport plans prior to FAA approval establishes the basis for use of the ALP.

**(1) ALP Preparation.** The sponsor's ALP should incorporate an airport airspace plan (see Advisory Circular 150/5300-13), runway protection zone plan, and a property inventory map (see Order 5190.6 on airport compliance requirements). ALP's are normally current for a five-year period unless major changes at the airport have been made or are planned. ALP's may be determined to be current beyond that period without revisions if no changes have occurred or are planned and if the ALP meets current design standards.

**(2) Review and Coordination.** FAA review and coordination of the ALP will cover Federal interests and must consider any required coordination that was not completed at the local or State level. FAA may request additional information from sponsors, preferably at one time within the review period, to add detail needed for ALP approval. Airport sponsors should be alerted to the delay of agency action or agency disapproval when requested information is not provided.

**(3) Timing of Approval.** Due to the length of time involved for Federal ALP approval actions, several forms of letters or notices to the sponsor approving airport development on layout plans may be used (see paragraph 403b).

**(a) Conceptual Approval.** Conceptual approval may be made, if necessary, to avoid unreasonably delaying the sponsor in the absence of detailed planning.

**(b) First Time Approval.** First-time approval actions may be taken for those airports where an ALP has not been previously approved. First-time approval is normally the culmination of a major study process, including interagency review and discussion between the interested parties.

**(c) Informal Revisions.** Informal revisions of a minor nature should be noted on the ALP by pen and ink based on supporting documentation referenced on the drawing rather than frequently re-approving as-build conditions. The supporting documentation should identify sponsor and FAA documents that approve the revision, and any safety implications of the change must be described. Regions may require revisions of drawings at any time to provide working tools that would not be approved. For instance, an ALP drawing with a small building that is not identified within the approved plan could be sent before or after the FAA's conduct of airspace studies and determination for it. Likewise, a similar sheet could be provided with minor new airport engineering or geodetic surveying data that needs to be noted on the approve ALP by pen and ink as well as reflected on the FAA's airport master record.

**(d) Formal Revisions.** Formal revisions shall be approved periodically for major changes to the airport and the existing ALP. Several years may lapse between each formal revision since it normally involves the substantial degree of study, review, and discussion as with first-time ALP approval.

**(4) Approval Conditions.** Conditions of ALP approval will be explained in writing to the sponsor and clearly indicated on the plan. Approval of an ALP must be in accordance with environmental criteria in Order 5050.4 (the airport environmental handbook) and current regulations and design standards unless modified as prescribed in Order 5300.1 (approval level for modification of agency airport design and construction standards). The approval letter must include a disclaimer statement regarding Federal financial participation (see paragraph 425b). Statements should be added concerning sponsor action required on land use planning for the airport vicinity (see paragraph 1521) and the need for airport layout planning to be compatible with Federal facilities (see paragraph 1529). A statement should also identify proposed development that is not sufficiently justified.

**(5) Use of ALP.** ALP's are the graphic representation of policies on current and future airport development as formally adopted by the sponsor and approved by FAA. Planning, budgeting, and implementation for FAA activities on airports will be based on the sponsor's ALP. Before the Federal action on new development depicted on the ALP, all appropriate conditions of ALP approval must be satisfied. FAA plans and program must be changed to reflect each newly approved ALP as appropriate.

**e. Noise Planning.** Guidance on noise control planning is contained in Order 1050.11. Noise exposure maps and noise compatibility programs that result from FAA-funded projects should be completed by the sponsor and provided to the FAA. This does not necessarily constitute a formal submission to FAA for determinations under FAR Part 150. Submission of noise exposure maps and noise compatibility programs for determinations under Part 150 are not required by the grant. However, if the sponsor decides upon completion of the noise planning to make a submission under Part 150, a letter so stating should be provided with the final products.

**f. NPIAS and ACIP Data.** Airport data, such as development requirements and schedules, shall be verified by the FAA prior to inclusion in the NPIAS and ACIP. Sponsors, MPOs, and states should be provided an explanation in writing concerning data considered unacceptable. Benefit-cost analysis, when required, is to be prepared by airport sponsors, transmitted to regions for a completeness review, and sent to APP-520 where that office, in consultation with APO-200, will review the BCA analysis. Regions will verify consistency with the approved aviation forecasts, FAA guidance on BCA methodology, the master plan, the ALP, the critical aircraft justification, reasonableness of the stated costs, benefits and schedule, and inclusion of life cycle costs.

#### **429. FAA ACCEPTANCE OF PROJECTS.**

See Section 2, Chapter 13, for project acceptance and grant closeout procedures.

#### **430. AUDITS.**

See Section 3, Chapter 13, for audits.

#### **431. - 499. RESERVED.**